

***AN INVESTIGATION INTO THE APPLICATION OF CUSTOMER
RELATIONSHIP MANAGEMENT (CRM) BY THE
WATER AND SEWERAGE AUTHORITY (WASA)
IN MASERU LESOTHO***

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DECLARATION OF INDEPENDENT WORK

DECLARATION WITH REGARD TO INDEPENDENT WORK

I Nthabiseng Bereng, ID number 7308081791089 and student number 20335733, do hereby declare that this research project submitted to the Central University of Technology, Free State for the Degree MAGISTER TECHNOLOGIAE: MARKETING, is my own independent work; and complies with the Code of Academic Integrity, as well as other relevant policies, procedures, rules and regulations of the Central University of Technology, Free State; and has not been submitted before to any institution by myself or any other person in fulfilment (or partial fulfilment) of the requirements for the attainment of any qualification.

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DATE

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TABLE OF CONTENTS	PAGES
--------------------------	--------------

List of tables	viii
List of figures	x
List of acronyms	xi
Summary	xii

CHAPTER 1 BACKGROUND OF THE STUDY

1.1 INTRODUCTION	1
1.2 LITERATURE REVIEW ON THE WATER AND SEWERAGE AUTHORITY	2
1.2.1 Background on WASA.....	2
1.2.2 Payment for water	3
1.2.3 Sewerage treatment	4
1.3 PROBLEM STATEMENT.....	4
1.4 OBJECTIVES OF THE STUDY	4
1.4.1 The primary objective	4
1.4.2 The secondary objectives	4
1.5 JUSTIFICATION OF THE STUDY	5
1.6 RESEARCH DESIGN AND METHODOLOGY	6
1.6.1 Target population	7
1.6.2 Sample	7
1.6.3 Data collection	8
1.6.3.1 Questionnaire	9
1.6.3.2 Personal interviews	10
1.6.3.3 The covering letter	10
1.6.3.4 Selection and training of field workers	11
1.6.3.5 Pilot study	12
1.6.3.6 Analysis of data	12
1.7 LIMITATIONS OF THE STUDY	12
1.8 CHAPTER OUTLAY	13
1.9 CONCLUSION	14

CHAPTER 2 THE NATURE OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

2.1 INTRODUCTION	15
2.2 THE IMPORTANCE OF THE RELATIONSHIP BETWEEN CRM AND TQM.....	18
2.2.1 Top management leadership and support	20
2.2.2 Employee training and recognition	20
2.2.2.1 Employee training	20
2.2.2.2 Employee recognition	20
2.2.3 Employee empowerment and teamwork	21
2.2.3.1 Employee empowerment	21
2.2.3.2 Employee teamwork	22

2.2.4	Quality and product improvement	22
2.2.5	Quality assurance	22
2.2.6	Focus on customers	22
2.2.7	Strategic planning	23
2.3	THE ROLE OF MANAGEMENT IN CRM	23
2.3.1	Planning	24
2.3.2	Organising	25
2.3.3	Leading	25
2.3.3.1	Difference between leadership and management	26
2.3.4	Controlling	27
2.3.4.1	Determining and communicating the organisation's goals and objectives with employees	27
2.3.4.2	Evaluation of employees performance	27
2.3.4.3	Comparing employee performance with the goals and objectives that are set	28
2.3.4.4	Corrective action	28
2.4	THE IMPORTANCE OF STUDYING RELATED CRM LITERATURE	28
2.5	HOW TO APPROACH CRM	30
2.5.1	Supervision	30
2.6	THE INFLUENCE OF RELATIONSHIPS ON CRM	31
2.6.1	The influence of the relationship between management and the employees on CRM.....	32
2.6.1.1	Communication	32
2.6.1.2	Team work	34
2.6.1.3	Planning and implementation	34
2.6.1.4	Culture	37
2.6.1.5	The effect of conflict on CRM	38
2.6.1.6	The effects of stress on CRM	44
2.6.2	The influence of the relationship between the employees and the customers on CRM	50
2.6.2.1	Personal growth	51
2.6.2.2	Training	51
2.6.2.3	Planning	52
2.6.3	The influence of the relationship between management and the community on CRM	52
2.7	CHALLENGES IN THE IMPLEMENTATION OF CRM	55
2.7.1	Failure to implement strategies in the proper way	55
2.7.2	Lack of infrastructure	55
2.7.3	Implications of inadequate employee skills	56
2.7.4	Unclear objectives and goals	56
2.8	THE ROLE AND CONTRIBUTION OF HUMAN RESOURCE MANAGEMENT (HRM) IN CRM	57
2.8.1	Principles and procedures	57
2.8.2	Employee selection and hiring	58
2.8.3	Employee recruitment process	59
2.9	CONCLUSION	60

CHAPTER 3 CUSTOMER SATISFACTION

3.1	INTRODUCTION	61
3.2	FACTORS THAT AFFECT CUSTOMER SATISFACTION	63
3.2.1	The relationship between cost and quality	63
3.2.2	Perceived quality and value of products/services	64
3.2.3	Empowering employees.....	65
3.2.4	Satisfying employees	65
3.2.4.1	Why job satisfaction contributes to employee satisfaction	66
3.2.4.2	Factors that may influence job satisfaction	66
3.2.4.3	How employees can express dissatisfaction	68
3.2.5	Quality of relationships	69
3.2.5.1	Relationship commitment and trust	69
3.2.6	Organisational structure	70
3.2.6.1	Organisation's policy	71
3.2.6.2	Physical aspects	71
3.2.6.3	Organisation's reliability	71
3.2.6.4	Credibility	72
3.2.6.5	Accessibility	72
3.2.6.6	Excellence.....	72
3.2.7	The importance of effective communication with customers	72
3.3	TOOLS FOR ACHIEVING EXCELLENCE	74
3.3.1	Customer friendly process	75
3.3.2	Delivering a high quality and high value product	75
3.3.3	Total commitment to a quality product and continuous improvement of products and services	76
3.3.3.1	Reward system	77
3.3.3.2	Interpersonal skills and influence	77
3.3.3.3	Innovativeness and creativity	77
3.3.3.4	Problem solving skills	78
3.3.4	Teamwork and co-operation	78
3.3.4.1	The effects of team work and co-operation	79
3.4	CONCLUSION	79

CHAPTER 4 THE ROLE OF RELATIONSHIP MARKETING (RM) IN CRM

4.1	INTRODUCTION	81
4.2	NATURE OF RELATIONSHIP MARKETING	81
4.3	CHARACTERISTICS OF RELATIONSHIP MARKETING	83
4.3.1	Establishing relationships between the employees and customers.....	84
4.3.2	Establishing and managing communication with customers	84
4.3.3	Acquiring and capturing customer data	84
4.4	FACTORS THAT INFLUENCE RELATIONSHIP MARKETING	85
4.4.1	Marketing mix	87
4.4.1.1	Price	87

4.4.1.2	Distribution	87
4.4.1.3	Products	88
4.4.1.4	Marketing communication	88
4.4.2	Evaluation of the salespeople's performance	89
4.4.2.1	The importance of the salespeople's jobs.....	90
4.4.2.2	Importance of evaluating salespeople's performance	91
4.4.2.3	Evaluating the salespeople's performance by customers	92
4.4.2.4	Evaluation of the salespeople's performance by the marketing managers.....	93
4.4.3	Relationship marketing tools	94
4.4.3.1	Increasing the productivity	94
4.4.3.2	Improving customer service centers	95
4.4.3.3	Handling customer complaints	95
4.4.3.4	Knowledge of customer's needs, wants and expectations	99
4.4.3.5	Responsiveness	99
4.4.3.6	Empathy	100
4.4.3.7	Assurance	100
4.4.3.8	Recognition	100
4.5	THE ROLE OF PROBLEM SOLVING AND DECISION MAKING IN	
	RELATIONSHIP MARKETING	100
4.5.1	Interdependence between problem solving and decision making	101
4.5.2	Problem definition	101
4.5.3	Definition of decision making	102
4.5.4	Factors that may influence decision making	102
4.6	CUSTOMER SERVICE AS PART OF RM	103
4.6.1	Factors that may affect customer service	104
4.6.1.1	Customer awareness	105
4.6.1.2	Customer differentiation	106
4.6.1.3	Customer expectation	106
4.6.1.4	Product/service quality	107
4.6.1.5	Customer loyalty	108
4.7	CONCLUSION	109

CHAPTER 5 RESULTS OF EMPIRICAL STUDY

5.1	INTRODUCTION	110
5.2	PURPOSE OF THE EMPIRICAL RESEARCH	110
5.3	DETAILS OF THE RESPONDENTS	111
5.3.1	Job titles of employees that were interviewed	111
5.3.2	WASA's Customers	112
5.4	CUSTOMER RELATIONSHIP MANAGEMENT	112
5.4.1	Meter reading	119
5.4.2	Accuracy of bills	119
5.4.3	Response time to pipe bursts and leakage	120
5.4.4	Managing the disposal of wastewater/sewerage collection	120
5.4.5	The quality of WASA's water	121
5.4.6	Water cuts	122
5.4.7	Reliability of water supply services	123

5.4.8	Customer loyalty	124
5.4.9	Employee loyalty	125
5.4.10	Employee recognition and employee satisfaction	126
5.4.11	Definition of CRM	127
5.4.12	Importance and reasons behind CRM strategic directions in the workplace	128
5.4.13	Instruments used to measure CRM	129
5.5	CUSTOMER SATISFACTION AND CUSTOMER SERVICE	130
5.5.1	Building good customer relations	130
5.5.2	Good quality customer service	131
5.5.3	Response to customer queries	133
5.5.4	The importance of building customer satisfaction	134
5.5.5	WASA's service delivery	136
5.5.6	Expectations of customers concerning the quality of customer service delivery	138
5.5.6.1	Instruments used to measure customer expectations.....	139
5.5.7	Expectations of employees	140
5.5.7.1	Instruments used to measure employee expectations	141
5.5.8	Employee satisfaction	142
5.5.9	Customer satisfaction	143
5.5.9.1	Instruments used to measure customer satisfaction	143
5.6	RELATIONSHIP MARKETING (RM) AND CUSTOMER SERVICE	144
5.6.1	Building customer loyalty.....	146
5.6.2	The cost of water supply and sewerage collection	146
5.6.3	Willingness to serve customers	148
5.6.4	Follow up efforts	149
5.7	OVERALL PERFORMANCE	149
5.7.1	Training of employees on customer care	150
5.7.2	Accuracy of meter reading and bills	152
5.7.3	Announcements prior to water cuts and shortages	152
5.7.4	Quality of water	152
5.7.5	Friendliness over telephone	152
5.7.6	Response time to customer complaints	153
5.7.7	Reliability of water supply	153
5.7.8	Response time to pipe bursts and leakage	153
5.7.9	Frequency of visits to customers	154
5.7.10	Individual and personal attention to each customer	154
5.7.11	Managing the disposal of wastewater	154
5.7.12	Other areas	154
5.8	CONCLUSION	155

CHAPTER 6 CONCLUSIONS AND RECOMMENDATION

6.1	INTRODUCTION	156
6.2	ATTAINMENT OF OBJECTIVES	156
6.3	CONCLUSIONS	157
6.3.1	Customer Relationship Management	157

6.3.1.1	Implementation of CRM	157
6.3.1.2	Meter reading	159
6.3.1.3	Accuracy of bills	159
6.3.1.4	Response time to pipe bursts and leakage	160
6.3.1.5	Managing the disposal of wastewater/sewerage from house connections.....	160
6.3.1.6	The quality of WASA's water	160
6.3.1.7	Water cuts	161
6.3.1.8	Efficiency in announcing water shortage	161
6.3.1.9	Reliability of water supply	162
6.3.1.10	Customer loyalty	162
6.3.1.11	Reasons for measuring customer loyalty	162
6.3.1.12	Employee loyalty	162
6.3.1.13	Reasons for measuring employee loyalty	163
6.3.1.14	Employee recognition	163
6.3.1.15	Employee satisfaction	163
6.3.1.16	Definition of CRM	164
6.3.1.17	The importance and reasons behind the CRM strategic directions in workplace	164
6.3.1.18	Instruments used to measure CRM	164
6.3.2	Determination of customer satisfaction by WASA	165
6.3.2.1	Building good customer relations	165
6.3.2.2	Good quality customer service	165
6.3.2.3	Response to customer queries	166
6.3.2.4	Importance of building customer satisfaction	166
6.3.2.5	WASA's service delivery	167
6.3.2.6	Measuring customer expectations concerning the quality of customer service delivery	167
6.3.2.7	Instruments used to measure employee expectations	168
6.3.2.8	Employee satisfaction	168
6.3.2.9	Customer satisfaction	168
6.3.3	Relationship Marketing (RM) and customer service	168
6.3.3.1	Aspects to be considered when building customer loyalty	169
6.3.3.2	Cost of water supply	169
6.3.3.3	Cost of sewerage collection	169
6.3.3.4	WASA's willingness to serve customers	170
6.3.3.5	Follow up efforts	170
6.3.4	Overall performance	170
6.3.5	Overall conclusion	171
6.4	RECOMMENDATIONS	171
6.4.1	Customer Relationship Management	171
6.4.1.1	Implementation of CRM	171
6.4.1.2	Meter reading	173
6.4.1.3	Accuracy of bills	173
6.4.1.4	Response time to pipe bursts and leakage	173
6.4.1.5	Managing the disposal of wastewater/sewerage from house connections... ..	174
6.4.1.6	The quality of WASA's water	174
6.4.1.7	Water cut and efficiency of announcing water shortage	174

6.4.1.8	Reliability of water supply	175
6.4.1.9	Customer loyalty	175
6.4.1.10	Employee loyalty	176
6.4.1.11	Employee recognition and satisfaction	177
6.4.1.12	Definition of CRM	176
6.4.1.13	The importance and reasons behind the CRM strategic directions in workplace	177
6.4.1.14	Instruments used to measure CRM	178
6.4.2	Determination of customer satisfaction by WASA	178
6.4.2.1	Building good customer relations	178
6.4.2.2	Good quality customer service	179
6.4.2.3	Response to customer queries	179
6.4.2.4	WASA's service delivery	179
6.4.2.5	Measuring customer expectations concerning the quality of customer service delivery	180
6.4.2.6	Measuring employee expectations concerning the quality of service delivery	179
6.4.2.7	Employee satisfaction	180
6.4.2.8	Customer satisfaction	181
6.4.3	Relationship Marketing (RM) and customer service.....	181
6.4.3.1	Building customer loyalty	182
6.4.3.2	The cost of water supply and sewerage collection from house connection.....	182
6.4.3.3	WASA's willingness to serve customers	182
6.4.3.4	Follow up efforts	183
6.4.4	Recommendations concerning the overall performance of WASA	183
6.4.5	Recommendations for further research	184
	LIST OF SOURCES	185
	APPENDIX A	200
	APPENDIX B	202
	APPENDIX C	204
	APPENDIX D	206
	APPENDIX E	213
	APPENDIX F	223

LIST OF TABLES		PAGES
TABLE 2.1	Differences between leadership and management	27
TABLE 2.2	Results of conflict.....	42
TABLE 2.3	Stakeholder groups and examples of concern	53
TABLE 4.1	Methods that can be used to track customer data	85
TABLE 4.2	Functionality of web sites	99
TABLE 4.3	Definition of a problem	102
TABLE 5.1	Job titles	111
TABLE 5.2	WASA's customers	112
TABLE 5.3	Striving to develop close relationship with customers	113
TABLE 5.4	Metre reading	119
TABLE 5.5	Accuracy of bills	119
TABLE 5.6	Response time to pipe bursts and leakage	120
TABLE 5.7	Managing the disposal of wastewater/sewerage from house Connections	120
TABLE 5.8	Quality of water	121
TABLE 5.9	Water cuts	122
TABLE 5.10	Efficiency of announcing water shortage	123
TABLE 5.11	Reliability of water supply	123
TABLE 5.12	Measuring customer loyalty	124
TABLE 5.13	Reasons for measuring customer loyalty	125
TABLE 5.14	Measuring employee loyalty	125
TABLE 5.15	Reasons for measuring employees' loyalty	126
TABLE 5.16	Employee recognition and employee satisfaction	126
TABLE 5.17	Definition of CRM	127
TABLE 5.18	Instruments used by WASA to measure CRM	129
TABLE 5.19	Building good customer relations	130
TABLE 5.20	Good quality customer service	132
TABLE 5.21	WASA response to customer queries	133
TABLE 5.22	Response time to customer queries	133
TABLE 5.23	The importance of building customer satisfaction	135
TABLE 5.24	WASA's service delivery	137

TABLE 5.25	Instruments used to measure customer expectations	139
TABLE 5.26	Instruments used to measure employee expectations	141
TABLE 5. 27	Instruments used to measure customer satisfaction	144
TABLE 5.28	Aspects to be considered when building customer loyalty	145
TABLE 5.29	Cost of water supply	147
TABLE 5.30	Cost of sewerage collection	147
TABLE 5.31	WASA's willingness to serve customers.....	148
TABLE 5.32	Follow up efforts	149
TABLE 5.33	Areas that need improvement regarding WASA's level of services	151

LIST OF FIGURES	PAGES
FIGURE 2.1 The effect of total quality management on CRM	19
FIGURE 2.2 Relationships in CRM	32
FIGURE 2.3 Conflict Model	39
FIGURE 2.4 Responses and different levels of stress	45
FIGURE 2.5 Stress Model.....	46
FIGURE 2.6 Human Resource Management Model	57
FIGURE 3.1 Customer Satisfaction Model	63
FIGURE 3.2 Change Management Model	77
FIGURE 4.1 Relationship Marketing Model	86
FIGURE 4.2 Customer Service Model	105
FIGURE 5.1 The importance and reasons behind CRM	128
FIGURE 5.2 Measuring customer expectations	138
FIGURE 5.3 Measuring employee expectations.....	140
FIGURE 5.4 Measuring employee satisfaction	142
FIGURE 5.5 Measuring customer satisfaction	143

LIST OF ABBREVIATIONS/ACRONYMS

CRM	-	Customer Relationship Management
WASA	-	Water and Sewerage Authority
WHO	-	World Health Organisation
ICT	-	Information and Communication Technology
MIS	-	Management Information System
IT	-	Information Technology
HRM	-	Human Resource Management
RM	-	Relationship Marketing
TQM	-	Total Quality Management
APSS	-	Statistical Programme for Social Studies

SUMMARY

There are numerous reasons why Customer Relationship Management (CRM) is needed in organisations. CRM helps to create awareness and understanding of current corporate responsibilities, strategies, attitudes, and to define an integrated strategy for the future. There must be internal and external communication in order to enhance the organisation's relationship with its customers, its reputation and its loyalty to its customers. This could lead to quality customer service which may also lead to customer satisfaction.

The aim of this research was to investigate problems that hinder the success of CRM strategies in Water and Sewerage Authority (WASA) in Maseru Lesotho and to find solutions pertaining to these problems.

Field workers training sessions were arranged and facilitated by the researcher. The field workers were trained in one day with regard to two broad aspects: The *first aspect* covered issues such as structure, content and rationale of the questionnaire to enable the field workers to administer the questionnaire correctly; it also included sampling techniques, such as questionnaire administration. The *second aspect* covered the researcher's expectations regarding the study.

Personal interviews were conducted by the field workers and the researcher to collect data from the respondents. The researcher developed an interview schedule and puts forward the questions on a face to face basis, with both customers and employees, and recorded responses.

Secondary and primary sources were consulted to collect data. Both customers and employees were asked similar questions to determine whether WASA correctly implemented CRM or not, and to obtain the opinion of customers and employees on the same questions. By making use of theoretical framework, an

empirical study by means of structured questionnaires was administered to the employees and customers of WASA.

WASA's employee and WASA's customer questionnaires were designed to gather two types of data. *Firstly*, to gather information about WASA's employee perceptions about customer satisfaction *Secondly*, to gather information about customer's perceptions regarding product and service delivery received from WASA.

The response from both questionnaires were used to compute WASA's customer satisfaction, which gave a picture of the extent to which customers on average are satisfied or dissatisfied with WASA's product and service delivery.

This kind of questionnaire format was considered ideal for measuring customer attitudes and /or perceptions/satisfaction, and the employees' attitude towards customers. The same format was used for SECTION B, C, D and E, of the questionnaire (McDaniel, et al., 2001: 289).

The customer survey questionnaire was called WASA's Customer Questionnaire (see appendix D p. 206) and the employee questionnaire was called WASA's employee questionnaire (see appendix E p. 213). The questionnaires contained multiple choice and open-ended question; scale ratings were structured in such a way that they covered the objectives of the proposed study in detail (McDaniel, et al., 2001: 289).

A covering letter of introduction accompanied the questionnaire (see appendix C p. 204). It assured respondents feel free to answer all the questions for there were no right or wrong answers. The respondents could feel free to indicate what they really knew and feel about the organisation. Respondents were assured that their responses were confidential.

The survey was conducted during November and December 2009, in Maseru. At the end of December, a total number of 183 questionnaires were completed. After the data collection, the researcher was responsible for the data capturing, before analysing the responses. The analyses were done in sections, after which an inclusive summary, conclusions and recommendations were given for all the mentioned sections.

Simple random sampling was used for this study. The purpose of using simple random sampling was to give every member of the population an equal chance of being selected, in order that the whole population would be represented in the final outcomes. A sample of 183 respondents was selected and interviewed, of which 171 were WASA's customers and 12 its employees.

The sample was selected to provide for financial and time constraints. Financial aspects include the printing of the questionnaires, field workers' salaries and field workers' transport. Time was a consideration in terms of time period allocated for responses to be received and the analysis of the data.

The goal of sampling was to obtain valid answers to the research problem in the form of knowledge and insight. It was therefore essential that the sample be fully representative of the population (McDaniel, et al., 2002: 67).

After the literature and research methodology chapters the results of the empirical study to determine the effectiveness of CRM in WASA was discussed. It was finally determined that WASA was not one hundred percent effective in CRM and different suggestions were made to help WASA improve CRM strategies in the future.

The results of the study also indicated whether WASA were aware of the importance of CRM implementations as a means of providing good customer service and being customer oriented. The results indicated that WASA do not

conduct research regularly to test customer and employee satisfaction ratings of the products/services WASA provides to customers

Two pilot questionnaires were tested on two managers and two customers. The pilot study was done in order to establish whether the vocabulary was simple, direct and familiar to respondents; whether any of the words had vague or ambiguous meanings; whether any of the statements were inapplicable to respondents and whether any of the instructions were potentially confusing. Managers proposed changes to the questionnaires, which the researcher regarded both important and useful.

This study is qualitative in nature. Therefore no statistical calculations such as hypothetical tests, inferences and regression analysis have been used. Cross-tabulation of certain variables was done to determine whether a significant relationship between variables exists. Frequency tables were also used.

The findings of this study were not generalised to all the towns in Lesotho but were restricted to the city of Maseru only. Neither were they not generalised to all WASA's customers, owing to financial constraints regarding the research that is high costs problems to get hold of the respondents and time constraints. The questionnaires were only compiled in English because of the time and resource constraints.

To develop relationships with customers, employees and the community, there had to be a strategic way of implementing CRM because without a strategic implementation, there can hardly be any effective development and achievement in WASA. CRM is one of the most important management tools because it can accommodate the contribution of people in the development of product/services. It also focuses on the individual motivation of employee relationships, and the proper use of resources.

The study revealed that one of the most important roles in CRM is communication with employees, customers and the community. Therefore the researcher recommends that all objectives and strategies of CRM should be based on the concept of customer and employee satisfaction.

Ideally a similar study should be conducted that includes a national sample of WASA and which incorporates management, other employees and customers, to determine whether or not the variables identified in the literature are significant.

The research was done to determine the reasons why customers are satisfied with WASA's service delivery and why employees are not satisfied.

CHAPTER 1

BACKGROUND OF THE STUDY

1.1 INTRODUCTION

Lesotho like any other country in the world is faced with many problems, such as lack of available water and poor employee performance. The problem of poor employee performance could also contribute significantly to the shortage of provision of services such as clean water, water availability and many other services, the presence of which is a symbol of development (World Health Organisation, 2008: 1 [n.d]:online).

If there is not enough water for all the inheritants in Maseru, they might use untreated water that may be polluted. The use of untreated water can cause diseases such as diarrhoea and typhoid, which caused result in families or even government spending a great deal of money trying to eradicate such diseases.

The incidence in Kwazulu-Natal where many people suffer from cholera is a good example where government and families had to spend large amounts of money to try and eradicate the disease (Kagris, 2007: 5). The relationships between WASA and the customers may be affected owing to conflict resulting from water shortages or poor employee performance.

As mentioned above, the poor performance of employees may also cause the problem of water availability or water scarcity. According to Hall and Adams (2006: 71), the problem of water scarcity is quite common in the world. Hall and Adam state that problems of inadequate water and sanitation facilities exist throughout the world and have been particularly acute in the poorer countries, for example, India and Asia are severely affected by these problems (Feachem, 2004:

15). The above statement indicates that the problem of water supply affects the whole world, not only Lesotho.

Water is a valuable resource (WASA, 2005: 1), and very important in peoples' lives, although its value cannot easily be converted into monetary terms. The availability of water is the most important determining factor of its value. A man dying of thirst would most probably be willing to pay any amount of money for some water. In other words, if water is scarce it becomes very difficult for people to live, but if water is easily available it becomes very easy for people to live (WHO, 2008: 1 [n.d]: online).

The benefits of water availability to people living in Maseru may help to reduce water borne diseases, such as cholera and typhoid. It is argued by the World Health Organisation (WHO), that the first health requirement is not for cleaner water, but more water, whatever its quality, for washing. It is also indicated that ready availability of water in sufficient quantities could also help to control unpleasant skin infections such as scabies and eye diseases.

1.2 LITERATURE REVIEW ON THE WATER AND SEWERAGE AUTHORITY (WASA)

1.2.1 Background on WASA

WASA was established in 1992 with the main objective of providing safe, affordable and potable water supply and sewerage collection, and disposal services on a full cost recovery basis, throughout Lesotho's 16 officially declared urban areas to both domestic and non-domestic customers (WASA, 2004:1).

The Lesotho government is the custodian of the water resources within the country and it subsidises WASA, which operates under the ministry of Natural Resources (WASA, 2004: i).

According to WASA (2004; ii), the authority has to ensure that sewerage and industrial effluent is adequately treated before being released back into the environment. WASA took over the responsibilities of the water and sewerage branch. WASA's duties include the following:

- ❖ Gathering, purification and distribution of domestic and industrial water in urban areas.
- ❖ Disposal of solid wastes generated in the urban areas.
- ❖ Finances itself from water tariffs, effluent charges and solid waste disposal.

1.2.2 Payment for water

Urban residents are charged for water supply and sanitation services, in order to allow the responsible authority to manage, maintain and replace its services (WASA (1), 2006:5).

Effective cost recovery depends on many factors. The one factor that is the most fundamental is customer satisfaction. This does not simply entail providing "a good" service, but also includes providing a service that is appropriate and carefully matched to the individual customer's expectations, and his or her ability to pay for the desired level of service (WASA (1), 2006:5).

WASA therefore offers a range of choices to its customers in terms of standards and level of services. The range includes house connections, yard connections and standpipes with regard to water supply (WASA (2), 2006:5).

1.2.3 Sewerage treatment

Inadequately treated sewerage and trade wastes are major sources of surface water pollution. This can contribute to high levels of oxygen demand and also introduce toxic substances into the aquatic environment (WASA, 2005:19).

Untreated sewerage contributes to an increase in micro-organisms such as bacteria, viruses and protozoa, some of which could be harmful to both human and aquatic life. The treatment of sewerage in Lesotho is also the responsibility of WASA. Wastewater is deliberately treated for reuse (WASA, 2005:19).

1.3 PROBLEM STATEMENT

The major problem to be investigated in this study is to determine if WASA implement CRM effectively and correctly. If WASA do not implement CRM strategies correctly and effectively, they might not satisfy customers which may affect the relationship between WASA and its customers in a negative way.

1.4 OBJECTIVES OF THE STUDY

Objectives are desired goals to be achieved by study, and will be discussed accordingly:

1.4.1 The primary objective

- ❖ To determine if WASA implement and apply CRM strategies effectively and correctly.

1.4.2 The secondary objectives

- ❖ Determine if customers are satisfied with WASA.

- ❖ Determine if WASA's employees are satisfied with WASA.
- ❖ Determine what customers expect from WASA.
- ❖ Determine what employees expect from WASA.
- ❖ Determine if WASA considers building customer loyalty.
- ❖ Determine if WASA considers building employee loyalty.
- ❖ Determine the quality of services WASA renders to customers.
- ❖ Determine if WASA considers the role of relationship marketing as an important tool when implementing and applying CRM strategies.

1.5 JUSTIFICATION OF THE STUDY

This study could be useful to WASA's employees concerned with the application of CRM strategies. It has been important to carry out this research because as far as the researcher knows, no research has been done to find the challenges facing the application of CRM strategies in WASA, Lesotho.

It has been worthwhile undertaking a study of this nature, without necessarily waiting for the plan period to be completed, which is, according to the Strategic Framework of the Water Sector, five to ten years. By then, it will be too late to repair the damage done, let alone the money wasted on the process. The available results from the completed questionnaires indicated WASA's performance on CRM and customer satisfaction. This study will make WASA aware of the importance of CRM in organisations where the distribution of services are involved.

The study would be able to provide guidelines for quality services offered by WASA as well as possible solutions to the problem areas which affect the quality of service delivery.

The specific problem was worth investigating because water is a valuable resource and has to be conserved, so that everyone in Maseru may have access

to water. Without water there can be no life. This means that poor water supply services can cause problems for WASA. The poor supply of water can also lead to many economic or social problems (as stated before).

1.6 RESEARCH DESIGN AND METHODOLOGY

This section demonstrates how the data was collected and processed. Data was classified according to secondary data (literature study) and primary data (empirical study).

A qualitative and descriptive research approach was used in this study. A qualitative research approach can be described as one that is fairly descriptive in nature (Welman et al., 2005: 188). In other words this approach can be described broadly as a series of observations, measurements, facts or information that essentially, do not have to be numeric in nature.

The emphasis of this approach is to gain an inside perspective and this can only be achieved by researchers observing or talking to their subjects. The main objective of this approach is to understand and provide an explanation; conversely the quantitative approach is more concerned with prediction. There are various methods of data collection that may be used by qualitative researchers such as interviews, observations, surveys and references which can also be implemented by secondary sources. When analysing qualitative data, researchers use grounded theory and other inductive methods of analysis.

Descriptive research can be used to summarise or describe observations and investigations. The purpose of this study is to investigate if WASA implement and apply CRM strategies effectively and correctly.

1.6.1 Target population

The population of this study was domestic customers living in the city of Maseru only, as well as selected employees who are in WASA's management team. These employees were selected because they are familiar with all the aspects of CRM and customer expectations from WASA. Researchers normally determine the research population from research problem. This may include individuals, groups, organisations or institutions, events and conditions.

1.6.2 Sample

The population size was too large and therefore impractical to either contact or consult when one takes into consideration all the information that has to be collected. Researchers therefore have to rely on data collection from a sample of the population.

Sampling is the process of selecting a few respondents from a bigger group which becomes the basis for predicting the outcomes. A sample serves as criteria for evaluating the research report. The goal of sampling is to obtain valid answers to the research problem in the form of knowledge and insight. It is therefore essential that the sample be fully representative of the population (McDaniel and Gates, 2002: 67).

Simple random sampling was used for this study. The purpose of using simple random sampling is to give every member of the population an equal chance of being selected. By doing so, the whole population is represented in the final outcomes.

A sample of 183 respondents was selected and interviewed, of which 171 were WASA customers and 12 were WASA employees. The following twelve employees (managers) were interviewed by the researcher:

- ❖ Two Credit Control Accountants
- ❖ Two Customer Care Supervisors
- ❖ A Corporate Analyst
- ❖ A Financial Accounting Manager
- ❖ A Marketing Manager
- ❖ A Public Relations Manager
- ❖ An Assistant Accounting Manager
- ❖ A Store Manager
- ❖ A Human Resource Manager
- ❖ A Pre-paid Supervisor

This particular sample was selected owing to financial and time constraints. Financial aspects included the printing of the questionnaires, field workers' salaries and field workers' transport. Time was a consideration in terms of the time period allocated for responses to be received and the analysis of the data.

1.6.3 Data collection

Secondary and primary data sources were consulted to collect data. Both customers and employees were asked similar questions to determine whether WASA correctly implement CRM or not, through the opinion of customers and employees on the same questions.

❖ Secondary data (literature study)

The literature study was undertaken to establish, assemble and integrate theoretical material with specific reference to customer relationship management (CRM) principles (McDaniel and Gates, 2004: 42).

The theoretical frameworks were developed from textbooks, South African (SA) e-published- articles, proquest-articles, newsletters and articles. Internet based sources, nexus-completed research, as well as ebscohost articles were used.

From this framework the CRM principles and practices for WASA's customers were developed (McDaniel and Gates, 2004: 42)

❖ **Primary data (empirical study)**

Interviews were used as a primary data collection method. Interview methods ensure that the respondents fully understand what is required by the researcher. The interviewer has to clarify if respondents do not understand a question.

1.6.3.1 Questionnaire

Using the theoretical framework, an empirical study by means of structured questionnaires was administered to the employees and the customers of WASA.

WASA's employee and customer questionnaires were designed to gather two types of data. *Firstly*, the questionnaire was designed to gather information about WASA employee perceptions about customer satisfaction. *Secondly*, it was designed to gather information about customer perception regarding product and service delivery received from WASA.

The response from both questionnaires were used to compute WASA's customer satisfaction, which provided a picture of the extent to which customers on average are satisfied or dissatisfied with WASA's product and service delivery.

This kind of questionnaire format is ideal for measuring customer attitudes and/or perceptions/satisfaction, and employee attitude towards customers (McDaniel and Gates, 2001: 289). This format was used for SECTION B, C, D and E of the questionnaire.

The customer survey questionnaire was called WASA's Customer Questionnaire (see appendix D p. 206) and the employee questionnaire was called WASA's employee questionnaire (see appendix E p. 213). Both questionnaires consisted of the following sections:

- Section A** WASA's employee and customers details
- Section B** CRM Implementation
- Section C** Customer Satisfaction and Customer Service
- Section D** Relationship marketing and customer service
- Section E** Overall Performance

The questionnaires contained multiple choice and open-ended questions, scale ratings; they were structured in such a way that they covered in detail the objectives of the proposed study (McDaniel and Gates, 2001: 289).

1.6.3.2 Personal interviews

Personal interviews were conducted by the fieldworkers and the researcher to collect data from the respondents. The researcher developed an interview schedule that put questions on a face to face basis with both customers and employees, and recorded responses. Respondents were restricted to these questions because they were structured questions. "The interviewer puts a collection of questions from previously compiled questionnaires, known as an interviewer schedule to respondents face to face and records the latter response" (Welman et.al., 2005: 165). With this type of interview the interviewer has very little freedom in terms of questions, wording and order. This means that the interviewer reads the structured questions and the response of the interviewee was recorded according to a standardised schedule.

1.6.3.3 The covering letter

The covering letter was the introduction letter accompanying the questionnaire (see appendix C p. 204). It was for both WASA employees and customers. According to Erwee (2002: 156 – 157) covering letter means a request to the respondents to complete the questionnaires, and plays an important role of explaining to the respondents the aims and purposes of the study.

The covering letter assured the respondents to be free to answer all the questions, by assuring them that there are no right or wrong answers and that they should feel free to indicate what they really know and feel about the organisation. Respondents were assured that their responses were confidential.

1.6.3.4 Selection and training of field workers

❖ Selection of field workers

Two field workers were used to collect the data. The researcher used WASA field workers as they are familiar with what has to be done, and as a means of keeping the cost of research low. The survey was conducted during November and December 2009, in Maseru.

At the end of December 2009, a total number of one hundred and eighty three questionnaires were completed. After the data collection, the researcher was responsible for data capturing, before analysing the responses. The analyses were done in sections, after which a summary, conclusions and the recommendations were compiled for all the mentioned sections.

❖ Training of field workers

The training sessions were arranged and facilitated by the researcher. The training took one day, and the field workers were trained on two broad aspects: The *first aspect* covered issues such as the structure, content and rationale of the questionnaire, to enable the field workers to administer the questionnaire properly. Sampling techniques, including questionnaire administration and the *second aspect*, covered the researcher's expectations of the study.

1.6.3.5 Pilot study

Two pilot questionnaires were tested on two managers and two customers of WASA. The pilot study was done in order to establish whether:

- ❖ the vocabulary was simple, direct and familiar to respondents;
- ❖ any of the words had vague or ambiguous meanings;
- ❖ any of the statements were not applicable to respondents;
- ❖ any of the instructions were potentially confusing.

Managers came up with some proposals regarding changes to the questionnaires that the researcher regarded as important and useful, and the corrections were done to the questionnaires.

1.6.3.6 Analysis of data

Completed questionnaires were checked for completeness, accuracy and consistency. The Statistical Programme for Social Studies (SPSS) was used to analyse the data. The frequencies of each categorical variable were determined and are represented graphically with bar and pie charts.

This study was qualitative in nature; therefore no statistical calculations such as hypothetical tests, inferences and regression analysis were used. Cross-tabulation of certain variables was done to determine whether a significant relationship between variables exists. Frequency tables were also used.

1.7 LIMITATIONS OF THE STUDY

- ❖ The findings of this study was not generalised to all the towns in Lesotho, but was restricted to the city of Maseru only.
- ❖ Findings were not generalised to all WASA customers, owing to the financial constraints related to the research.
- ❖ High cost, problems to get hold of the respondents and time constraints.
- ❖ The questionnaires were only compiled in English because of time and resource constraints.

1.8 CHAPTER LAYOUT

Chapter layout of this study is as follows:

Chapter 1 focuses on the background of the study, the literature review and background on the Water and Sewerage Authority (WASA), as well as the research design and methodology used to collect data.

Chapter 2 presents and discusses the nature of Customer Relationship Management (CRM), the importance of the relationship between CRM and Total Quality Management (TQM), the role of management in CRM, the importance of studying related CRM literature and how CRM can be approached, the influence of relationships on CRM, challenges in the implementation of CRM and the role and contribution of Human Resource Management (HRM) in CRM.

Chapter 3 focuses on the following aspects: factors that may affect customer satisfaction and tools for achieving excellence.

Chapter 4 addresses the role of relationship marketing (RM) in CRM, which includes the nature and characteristics of relationship marketing, factors that may influence relationship marketing, the role of problem solving and decision making in relationship marketing, and customer service as part of CRM.

Chapter 5 gives an overview of the empirical research results. The focus is on the interpretation of the data collected from domestic customers and WASA's management who are familiar with all aspects of the CRM.

Furthermore, chapter 5 is based on the following aspects: customer relationship management, customer satisfaction and customer service, relationship marketing and customer service, and the overall performance of WASA.

Chapter 6 presents and discusses the conclusions of the empirical study, and the recommendations, which include recommendations concerning the overall performance of WASA and recommendations for further research.

1.9 CONCLUSION

As stated earlier, Lesotho like any other country in the world is faced with many problems stated at the beginning of this chapter. Poor quality of water services can lead to many problems, whether socially or economically. Even the shortage of provision of services such as clean water may cause diseases such as diarrhoea and typhoid, resulting in families and even Government trying to eradicate such diseases (cf - pages 1-2).

The main objective of this study was to determine if WASA implement and apply CRM strategies effectively and correctly as a way of delivering superior customer service to its customers. This chapter featured the methodology implemented, the population of the study and the instruments that were used to collect data.

The next chapter (chapter 2) will discuss the nature of Customer Relationship Management (CRM), which involves the importance of the relationship between CRM and TQM, the role of management in CRM, the importance of studying related CRM literature, how to approach CRM, the influence of relationships on CRM, challenges in the implementation of CRM as well as the role and contribution of human resource management (HRM) in CRM.

CHAPTER 2

THE NATURE OF CUSTOMER RELATIONSHIP MANAGEMENT (CRM)

2.1 INTRODUCTION

Fitzgibbon and White (2005: 216) define CRM as “a data-driven approach that enables companies to assess each customer’s current needs and potential profitability, and to tailor sales offers and services accordingly. The fundamental purpose of CRM is to build relationships with customers effectively by understanding them better”.

Fitzgibbon and White (2005: 203 : 216) also indicate that: “managing a customer relationship means more than just having a string of information on the person. It means understanding every communication the company has with the customer and every communication the customer has with the company. This does not only mean purchase or marketing communications, but also complaints and service requests. The better the company can relate to the customer as individual the better it is managing its relationship”.

According to Mithas, et al., (2005: 202 - 203) “customer relationship management applications help the firm gather and use customer knowledge through three mechanisms. *First*, CRM applications enable customers to contact employees to record relevant information about each customer transaction. *Secondly*, in addition to enhancing the perceived quality of the offering, CRM applications also enable firms to improve the reliability of consumption experiences by facilitating the timely, accurate processing of customer orders and requests, and the ongoing management of customer accounts. *Third*, CRM applications also help the firm manage customer relationships more effectively across the sage of relationship initiation, maintenance and termination”.

Yim, et al., (2004: 265) posit that “customer relationship management (CRM) has been called an inevitable - literally relentless - movement because it represents the way customers want to be served and offers a more effective, and efficient way of conducting business”.

Based on the definitions above, CRM focuses on assuring effective and efficient relationships among management, employees, customers and the community. CRM helps the organisation to initiate and manage changes which may arise from time to time. In other words, CRM’s primary emphasis is on relationships and processes between management and employees, between employees and customers, and finally between the management and the community.

CRM is an approach based on the idea that managing CRM involves getting things done through people (employees, customers, and the community). The focus is on the individual and his/her motivations, and relationships with others in the organisation and outside the organisation.

The above discussions and definitions explain that there must be a strategic way of implementing CRM because without a strategic implementation of CRM there can hardly be any effective development and achievement in any organisation. The phrase “through people” is indicative of the role of CRM (Pettijohn, et al., 2007: 84). CRM is one of the important management tools because it accommodates the contribution of people in the development of the organisation as well as the development of products and services. It also focuses on the individual motivation of employee relationships and the proper use of resources. As mentioned in Chapter 1 under the problem statement, the wrong implementation and application of CRM may affect service delivery to customers, and it can even create low moral among employees (Pettinjohn, et al., 2007: 84; Fitzgibbon and White, 2005: 215).

To implement CRM strategies effectively many issues (customer satisfaction, customer service and relationship marketing) have to be considered by management. These issues are elucidated by the different authors below:

Woo and Fock (2004: 189) define satisfaction as “the customer’s fulfilment response. It is a judgement that a product or service feature or the product or service itself provided (or is providing), a pleasurable level of consumption-related fulfilment, including levels of under – or over fulfilment”.

Trim and Lee (2005: 6) posit that: “in order to have a customer service policy in place, it is necessary to have a customer-oriented culture that underpins the concept of relationship marketing. This being the case, it should be possible for marketing managers to formulate and implement a customer driven marketing oriented strategy. When auditing the marketing strategy process, it is realistic to suggest that marketers need to have a firm understanding of how their colleagues view the customer development and retention process”.

Trim and Lee (2005: 5) further indicate that “a strategic marketing approach will provide a basis for the relationship management process. The strategic marketing approach can also be used by the marketing managers to identify synergistic business activities that result in fitness being achieved”.

Based on the above mentioned, it is clear that customer satisfaction, customer service and relationship marketing requires the following:

- ❖ Employees with a high degree of specialised skills.
- ❖ A Modern infrastructure (which is also known as CRM technology) to effectively maintain the continually changing expectations of the organisation as well as that of the customers.

According to Reinartz and Wayne (2004: 296) CRM technology “is the information technology that is deployed for the specific purpose of better initiating, maintaining, and / or terminating customer relationships. CRM technology plays a critical role in the context of leveraging CRM-related activities and thus contributes to improve organisational performance in the market ...”

Marketing strategy and relationship marketing require an accurate understanding of customer tastes, needs and wants. That is why it is important for marketing managers to provide quality service to customers to enhance or to build long term relationships with customers (Anderson and Vincze, 2006: 93 – 94).

The above mentioned aspects (customer satisfaction, customer service and relationship marketing) will be discussed in the next two chapters. The importance of studying related CRM literature and the CRM approach will be discussed. This will be followed by a discussion on the influence of management, employees, customers and the community on CRM implementations.

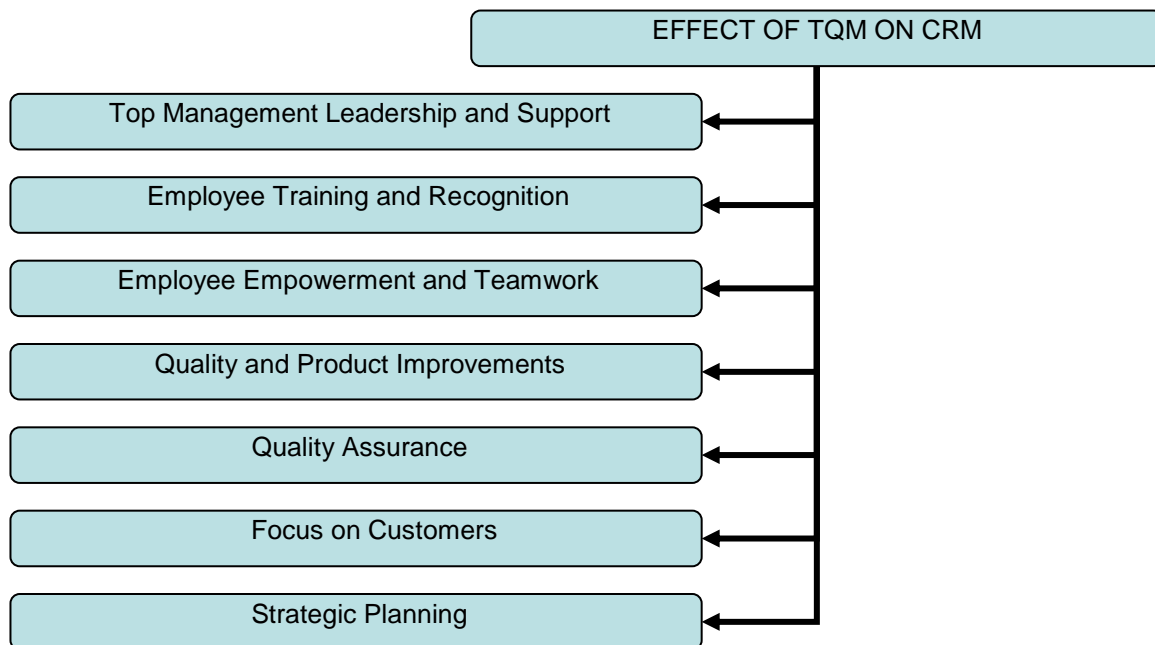
2.2 THE IMPORTANCE OF THE RELATIONSHIP BETWEEN CRM AND TQM

Nowadays customers are hard to please, therefore for the organisation to be able to deliver quality service to customers, the organisation has no choice but to implement Total Quality Management (TQM) (Lamb, et al., 2004: 154). Oakland (2003: 30) defines TQM: “as an approach to improving the competitiveness, effectiveness and flexibility of a whole organisation. It is essentially a way of planning, organizing and understanding each activity, and depends on each individual at each level. For an organisation to be truly effective, each part of it must work properly together towards the same goals, recognising that each person and each activity effect and in return are affected by others. TQM is also a way of ridding people’s lives of wasted effort by bringing everyone into the process of improvement, so that results are achieved in less time”. Mason and Ezell

(2001: 216), are of the same opinion by stating that CRM and TQM have positive association with customer satisfaction.

It is clear from the discussion above that CRM and TQM have a positive relationship in customer satisfaction, which is the primary goal in every organisation. In other words, CRM and TQM have a positive relationship because without TQM, CRM will not be effectively implemented. CRM and TQM therefore go hand in hand and both need continuous quality improvement, which is one of the best tools and techniques in excellent service delivery to customers, either internally (employees) or externally (customers). Figure 2.1 below captures some of the constructing concepts to be followed and considered by management when implementing TQM in CRM.

FIGURE 2.1: THE EFFECT OF TOTAL QUALITY MANAGEMENT ON CRM



Source: (Hellriegel, et al., 2004: 188)

2.2.1 Top management leadership and support.

The role of top management should be strengthened by providing them with administrative training and by making them fully aware of their responsibilities of all the aspects of the organisation's operations (McLean, 2006: 133). This is because the organisation's success depends not only on how well each department performs its work, but also on how well the various departmental activities are co-ordinated (Anderson and Vincze, 2006: 272). The only way top management can be able to establish effective management implementation is by employing certain models (such as figure 2.1 p. 19, figure 2.2 p. 32, figure 2.3 p. 39, figure 2.4 p. 45 and figure 2.5 p. 46). These models will enable top management to co-ordinate, lead, and share responsibility between management and employees, between employees and customers, and between management and the community (Ringberg, Gaby, and Glenn, 2007: 195; Dunnett, 2007: 1-2).

2.2.2 Employee training and recognition.

2.2.2.1 Employee training

Training employees helps employees (both the management and other employees) to be aware of every change that may arise in an organisation, or every change that may arise from the customers' expectations about the products and services delivered to them. Training of employees also enables employees to solve customer problems immediately without taking the problems to management, which may sometimes waste the customers' time and cause more problems and dissatisfaction of customers. Through training, employees may also improve their knowledge and skills, which may help employees to stay motivated and stay innovative, and should help employees to bring continuous improvement in organisations (Rozell, et al., 2004: 419).

2.2.2.2 Employee recognition

Employees must be recognised by management for good or bad work. The purpose of employees being recognised by management is because if employees

are praised for a job well done, employees will strive to work harder to be praised again in future. If employees are criticised by management because of a job poorly done, employees who performed bad will also strive to work harder, not to disappoint their manager again in the future (Ehlers and Lazenby, 2007: 229 – 230).

2.2.3 Employee empowerment and teamwork

2.2.3.1 Employee empowerment

Empowerment may involve giving employees the right to act promptly on customer requests. Empowered employees do not have to obtain approval from management before responding to customer complaints or enquiries, because they are trained to take action or to solve problems which may arise on daily basis. Training and empowering employees are, however, interdependent, because there is no point in training employees to solve problems if it is not accompanied by the power to act on their own initiative and to fix a service failure in the way that they see it. It does not matter how friendly, pleasant or attentive an employee is to a customer, if he/she is not able to solve the problem or to be seen as trying to help, the customer will just become more dissatisfied with the service and the firm could lose a valuable customer (Mulhern and Duffy, 2004: 65; Van Rensburg and Venter, 2005: 48).

Empowered employees release their judgement, initiative and creativity in serving customer requirements because of employees' daily contact with customer requirements. Through the contact with customers, the front-line employees (salespeople) know best how to please customers. Empowerment is the authority to act and refers to the resources to which employees have access, and the decisions they are permitted to make. Allowing frontline employees to use their own initiatives and judgement, improves the quality of service they deliver to customers (Ringberg, et al., 2007: 195).

2.2.3.2 Employee teamwork

Employee teamwork is discussed in paragraph 2.6.1.2 p. 34.

2.2.4 Quality and product improvement

Quality is a moving target; yesterday's quality or today's' quality may not be enough for tomorrow's quality. As such, the organisation should form a partnership with its customers as a means of continuous improvement of products/services (Mithas, et al., 2005: 202; Wang, et al., 2004; 173).

Partnership with customers for quality improvement may also help the organisation to achieve consistent quality of inputs the organisation receives from customers (external sources). Continuous improvement of the quality of products and continuous partnering with customers may affect the relationship with the organisation and its customers in a positive way, but only if there is an understanding and agreement between the organisation, and customers. This could also result or lead to customer satisfaction and profit growth (Mithas, et al., 2005: 203).

2.2.5 Quality assurance

Customers need to be assured that the organisation will always have the products/services available when customers need them, and that the products/service performance will be as promised (Ziglar and Hays, 2001: 301). Employees must be well trained to answer customers' questions and must to instil confidence in customers (Rozell, et al., 2004: 419).

2.2.6 Focus on customers

Knowledge of customer's needs, wants and expectations from the organisation is very important because it enables the organisation to be up to date with customers' future expectations. This indicates that there must be continuous communication between the organisation and its customers. Communication

between the organisation and its customers should take place through meetings and workshops. The organisation should also conduct customer satisfaction surveys, in order to focus on improving, maintaining and satisfying customer needs wants, and expectations (Jayachandran, et al., 2004: 220; Terblanche, 2006: 35). Innovative and new methods of providing service (such as CRM technology) should also be explored and adopted (Boshoff: 2007: 29).

2.2.7 Strategic planning

To create an effective planning programme, it is necessary for top management to have their strategic planning in writing (Anderson and Vincze, 2006: 67). This helps management to analyse the organisation's needs and set the appropriate objectives that take into account CRM and TQM as discussed above. Figure 2.1 p 19 may also help management to formulate a unique service structure, which may be used to build long term relationships between the organisation and its customers, and the organisation and its employees.

2.3 THE ROLE OF MANAGEMENT IN CRM

In order to implement effective and efficient CRM, managers have to understand their role and their activities in the daily running of the organisation (Nieman and Bennett, 2006: 85). Managers' activities may include training employees from the different organisational departments, setting clear goals and objectives that should be understood by every employee, evaluating employees' performance, and rewarding employees. An employees' service survey and a customer satisfaction survey should be implemented in order to test if employees and customers are satisfied with management, the products and services received. If the results indicate that employees and customers are satisfied, then the managers will know that they are doing their work in the proper way. If the results indicate that the employees and customers are not satisfied with the products and services received, the managers will know that something was wrong in the process of

implementing CRM strategies. Management should to be flexible in the implementation of changes where needed.

The role of management in CRM is based on the management activities of planning, organising, leading and controlling (Nieman and Bennatt, 2006: 85). These activities, if well executed by management, will affect CRM in a positive way. The management activities are discussed below:

2.3.1 Planning

The first activity performed by management is to plan before they can implement any strategy. This explains that management must first of all have goals and objectives that they want to achieve in future (Nieman and Bennett, 2006: 89).

Goals and objectives are to be considered important when it comes to planning. When it comes to planning, management should also understand that quality is needed in every activity that is performed internally and externally. Quality may be needed in the following management tasks:

- ❖ communication between management and employees;
- ❖ communication between employees and customers;
- ❖ communication between the organisation and the community;
- ❖ the production process;
- ❖ managing the organisation's resources;
- ❖ the way management think should be creative and effective for the organisation to be successful (Nasser and Vivier, 1993:16).

The above paragraph indicates that there is a positive relationship between thinking and planning. For managers to be able to plan and implement effective CRM strategies, they must first of all think. In other words, managers are not able to plan and implement effectively without thinking.

According to Bates, et al., (2005: 329), it is difficult for managers to organise people and resources without planning. Bates, et al., (2005: 329) further state that “planning gives managers a picture of what they need to organise and how to go about achieving organisational goals. Plan is important in an organisation at all levels. It offers directions to an organisation, and it maps out where the organisation is going in the future and what it hopes to achieve”.

Management should follow the following planning steps: Identify opportunities and threats which may affect the organisational environment; formulate organisational objectives; make assumptions and draw up plans accordingly; identify alternative plans of action; analyse and consider all the plans; choose the final plan; draw up a budget; and finally, implement the chosen plan (Smit, et al., 2007: 150 – 151).

2.3.2 Organising

After planning, managers should start by organising what will be needed, such as resources to be used, employees to be hired and many other tasks needed for the implementation of the plan, such as training and workshops. Skills and qualifications will be needed when hiring employees which is the role of the Human Resource Management (HRM) Department (Erasmus, et al., 2006: 5-6). The selection of employees, if done correctly at the beginning, will help the organisation to achieve the goals and objectives that are set. It is the responsibility of management to see to it that after organising everything that is needed, all employees are doing their job properly.

2.3.3 Leading

For management to be able to understand their role in CRM as organisational leaders, they should first ask themselves questions such as:

- ❖ What does it mean to be a leader?
- ❖ What qualities are needed by a good leader?
- ❖ What are the advantages and disadvantages of being a leader?

- ❖ What relationship must the leader have with his/her employees, customers, and community?

All the answers of the above mentioned questions will help management to pave their way regarding leadership in order to achieve the goals and objectives that are set. Answers should also give leaders the thought that one of their responsibilities is to interact and communicate with other employees, customers and the community (Blanchard, 2007: 43). Good leaders should:

- ❖ admit that they sometimes make mistakes just like any other employees;
- ❖ show employees how to do things in a way that will benefit the organisation; employees, customers, and the community (Swanepoel, et.al., 2003: 341);
- ❖ always give advice to others (employees, customers and community);
- ❖ listen to other people before concluding any matter;
- ❖ give others direction when necessary;
- ❖ show human kindness to everyone involved in daily business (Armistead and Kiely, 2003: 4).

2.3.3.1 Difference between Leadership and Management.

Many people confuse these two terms. Leadership and management are definitely two different things. One of management's tasks is to lead other employees to do things the right way.

Bates, et al., (2005: 335) differentiate these two terms by stating that "leadership is concerned with the vision of the organisation, while the management is concerned with the practical implementation of that vision. Leaders identify strategies for organisational success, while the management is responsible for implementing these strategies". Table 2.1 p. 27 clearly differentiates the different tasks between leadership and management:

TABLE 2.1 DIFFERENCES BETWEEN LEADERSHIP AND MANAGEMENT

Some key differences between leadership and management	
<p style="text-align: center;">A Leader' s responsibilities</p> <ul style="list-style-type: none"> • Instigates changes. • Takes a long term perspective. • Motivates through developing. • Creates a relationship of trust. 	<p style="text-align: center;">The Manager's responsibilities</p> <ul style="list-style-type: none"> • Implements and manages changes. • Supervises staff. • Focuses on immediate and short-term goals. • Motivates through formal authority and control.

Source :(Bates, et al., 2005: 335)

2.3.4 Controlling

The last activity is to control everything in the organisation. Controlling may involve many things in the organisation such as how the resources are used, employee services, training and workshops. If there is proper control of the organisation's resources and employees, it will be easy for managers to manage the services, products, employees and customers. It will be easy for the organisation to achieve its goals and objectives, and to know if changes are needed to be implemented or not (Ehlers and Lazenby, 2007: 276). Steps to be considered by management in the controlling process will be discussed below.

2.3.4.1 Determining and communicating the organisation's goals and objectives with employees.

Management should set clear goals and objectives, which should be understood by every employee in the organisation. These will help all employees to work hand in hand with one another with the same aim of achieving the objectives and goals that are set (Erasmus, et al., 2006: 6).

2.3.4.2 Evaluation of the employees' performance.

Employees' performance should be evaluated to see if the communication between management and employees was effective or not. To determine if the results of employee performance benefit the organisation, or if changes need to be

considered, employee performance should be evaluated to identify the pitfalls, strengths and weaknesses of employees (Trim and Lee, 2005: 5).

The evaluation process needed to be carried out by management who should ensure that constant evaluation takes place in the organisation. Management should start evaluating themselves before they can evaluate the employees. Such management evaluation should focus on management's relationship with employees, customers and the community.

2.3.4.3 Comparing employee performance with the goals and objectives that are set

After employee evaluation has taken place, management need to compare the results with the goals and objectives that are set, to determine whether changes need to be implemented (Nieman and Bennett, 2006: 105).

2.3.4.4 Corrective action

If management agree that changes need to be implemented, they should first consider how to implement these changes, to determine whether changes could possibly turn negative results into positive results and whether these changes may benefit the organisation in a profitable way (Tennant, et al., 2002: 289 and 290).

2.4 THE IMPORTANCE OF STUDYING RELATED CRM LITERATURE

Scholars have different views on the meaning and importance of literature on the nature of CRM strategies. Graham (2004: 11) defines literature as a kind of written communication about the products/services between management and other employees, where text is the message.

Pettijohn, et al., (2007: 76) and Rozell, et al., (2004: 419) consider the study of literature to be important because it:

- ❖ contributes to the acquisition of skills and knowledge, and to the development of character, sensory, intellectual and perhaps the professional status of the employees;
- ❖ acquaints the organisations that study it with a range of possibilities of human life, good customer service, and good relationships among employees;
- ❖ develops complex personal qualities such as perseverance, resourcefulness, imagination and creativity;
- ❖ challenges as well as prepares employees to be ready to handle all types of customers, and evaluate and make decisions about a wide range of problems in the future.

Pettijohn, et al., (2007: 76) and Mithas, et al., (2005: 203), also observe the study of literature as having inestimable value in the development of the educated person. If literature is taught well it can help employees to become broad-minded, perceptive and capable of constructive criticism.

In addition to the above paragraph the main purposes of using CRM strategies in organisations according to Smit, et al., (2007: 28) are as follows:

- ❖ to create literature that will be helpful and useful when implementing CRM strategies;
- ❖ to create literature that will educate all the parties concerned in CRM implementations;
- ❖ to test the satisfaction level and loyalty of customers;
- ❖ to enable management to co-ordinate, lead and share responsibilities among employees, customers and the community.

The above mentioned points are the most important aspects to be considered when building or implementing CRM strategies on the customer focus level. Customer focus involves management communication within the organisation and management communicating with employees (Liebenberg and Barnes, 2004: 9).

2.5 HOW TO APPROACH CRM

The intention of CRM is to determine whether improvement in productivity and service is owing to social factors such as morale, satisfactory interrelationship between employees of the organisation and management, and between the organisation and its customers. This kind of management would understand human behaviour skills as motivating, counselling, leading and communicating (Kaplan and Norton, 2004: 60).

From the above observation, it is clear that social and psychological factors are to be considered in any organisation if high productivity and achievement of objectives and goals are the first priorities of management or the organisation. When problems arise, management should investigate the cause of the problems. The cause can only be determined if management provides adequate supervision to employees which would benefit interpersonal relationships (Pettijohn, et al., 2007: 84).

2.5.1 Supervision

The most effective system of supervision is created when management consult employees and informal leaders in order to win acceptance of organisational objectives (Robbins, et al., 2004: 77). Human Resource Management (HRM) advises other organisational leaders to be humane, be good listeners, be leaders not bosses (Armistead and Kiely, 2003:4), Planned supervision will help managers to understand that being in the management team is to lead and guide other employees, as well as to make decisions and implement strategies. HRM believes that effective communication is supplemented by willingness to allow employees to participate in decision making, which is the key to effective supervision (Pettijohn, et al., 2007: 84).

From the above points of view it is clear that management and administrators cannot operate single-handedly. Management and administrators need

assistance or support from employees, either in the form of physical labour or advice. It is clear that recognition of employees by management plays an important role in effectiveness, efficiency, and productivity. Recognition of employees by management should encourage employees to contribute to the organisation.

In organisations the task of the supervisor is to co-ordinate the tasks of employees on all levels of the organisation. In WASA, like any other organisations, harmonious human relationships can be attained through proper co-ordination by top management. Top management should co-ordinate management and employees, employees and customers, as well as the organisation and the community. Top management should also be trained how to co-ordinate (Kaplan and Norton, 2004: 60).

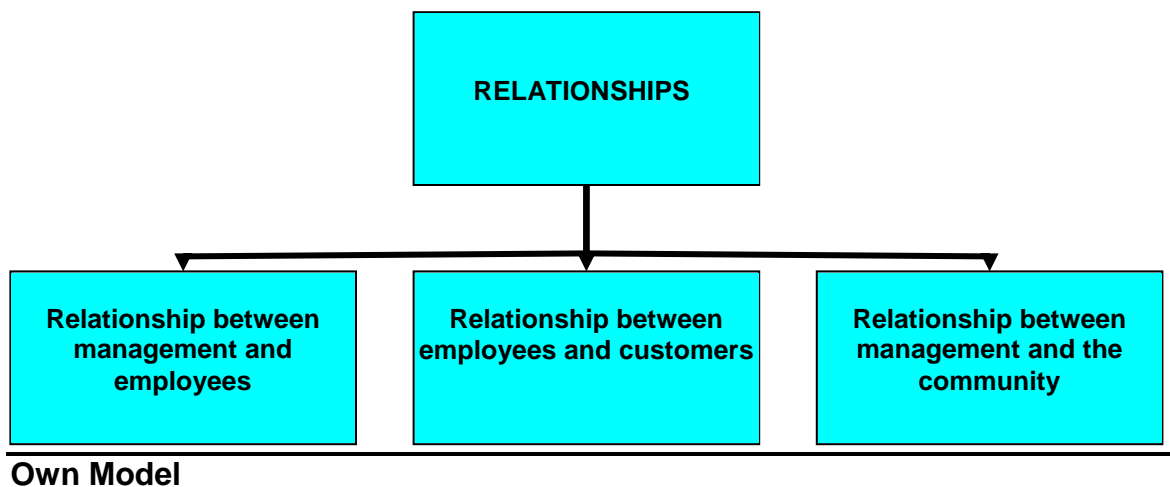
According to McLean, (2006: 133), it is only through training that the closest and most effective supervision of employees can be built. Some managers do not clearly exercise leadership responsibility because of the lack of training. For management to be able to create customers for life, they have to instil and continually reinforce a passion for satisfying customers throughout the entire organisation. Every employee within the organisation plays an important part in the driving of quality service and quality products. It is therefore the task of management to make sure that every individual knows, understands, and carries out procedures which may enable the organisation to achieve its objectives and goals. Management should also consider the value of business training for all employees as a way of motivating employees (Van Rensburg and Venter, 2005: 47).

2.6 THE INFLUENCE OF RELATIONSHIPS ON CRM

For management to be able to implement effective CRM, they are expected to practice the total quality management approach, which is characterised by

commitment, culture and communication. Managements' major task is to create interpersonal relationships between management and employees, among employees, between employees and customers, and between the organisation and the community (Ringberg, et al, 2007: 195; Dunnett, 2007: 1-2). The before mentioned relationships are indicated in figure 2.2.

FIGURE 2.2 RELATIONSHIPS IN CRM.



2.6.1 The influence of the relationship between management and the employees on CRM

The following factors in the relationship between management and employees will influence the application of CRM: communication, team work, planning and implementation, culture, conflict and stress (Dunnett, 2007: 4).

2.6.1.1 Communication

If management communicate with their employees clearly, there will be a flow of information from management's offices to the employees. Employees will be notified of workshops, conferences and training in time. Van Rensburg and Venter (2005: 47-48) define employee/customer communication as a transmission of facts, ideas, values, feelings, and attitudes from one person to another. The above type of communication is the number one problem of organisational managers.

Merely transmitting the simplest information from sender to receiver without undue loss or confusion can become a major task.

If management ignore what is mentioned in the above definition, they are missing the most important contributing factor to the development of their organisations' communication. For instance, workshops and training do not only upgrade the academic standards of employees, but also improve employees' morale and social development (Rozell, et al., 2004: 419). Employees who are given a chance to meet other employees are exposed to situations where they are able to share ideas, and decrease potential emotional explosion, sometimes experienced in some organisations. Such emotional explosion will not be experienced in organisations where communication is the means by which employees are linked together in an organisation to achieve a common goal. Through this communication linkage the organisation is able to reach consensus (Kaplan and Norton, 2004: 62).

By consensus there is democracy because the freedom is there for employees, customers and the community to air their views in developing and criticising management. Management should appreciate and welcome criticism because the time where management takes full responsibility single-handedly is over, criticism either from customers or employees, help management to evaluate and audit their organisations. Consensus does not only accommodate criticism, it also develops team spirit (Witepski, 2006: 51).

Communication automatically encourages participatory planning and decision making by management and employees. When employees are consulted, their morale gets boosted. Planning creates partnership between management, employees and customers. Then there is also shared responsibility for the organisation's progress and success in achieving the aforementioned improvements.

2.6.1.2 Team work

Management alone cannot perform all the various functions and tasks within the organisation effectively. Blanchard (2007:43) is of the same opinion by stating that "... leadership is not something you do to people but something you do with people". These views encourage delegation of work; delegation in turn solidifies the organisation that is able to withstand any kind of storm from the outside. Team work is not only open for contribution and criticism, it also decreases irrational conflicts which discourage employees from working or pulling together. It also creates creativity, moral vision and freedom of thought. The above values boost standards, culture of the organisation, performance, discipline and create conducive relationships (Kaplan and Norton, 2004: 62).

Team work does not only promote awareness and measurable performance, it also promotes professionalism. Such professionalism will help management to appraise their employees without any favouritism and nepotism that prevail with some managers. It also will help management to promote intimacy and mutual identification. It promotes frequency and lasting contact that should develop and persist in the various means of communication.

2.6.1.3 Planning and implementation

Planning together creates supportive employees. Shared responsibility helps employees solve disciplinary problems before these problems reach management. As a result employees will not stand aloof and point a finger at management. Employees will work together for the implementation of strategies and the improvement of employee performance whole-heartedly (Kaplan and Norton, 2004: 63).

Management also need resources (such as equipment, for example, telephones, computers, cars and printers) to be able to implement strategies. Froehle (2006:16) concurs that during the implementation process employees will need resources. It is important that employees should have the knowledge and skills to

be able to use these resources. If employees do not have knowledge and skills, they might find it difficult to use the organisation's resources. Therefore, management should be very selective in hiring and employing the suitable employees.

Gouws, et al., (2006: 258) as well as Van Rensburg and Venter, (2005: 47) concurs with the points raised above by stating that implementation can be attained by providing resources, assistance and monitoring process. Assistance is expected from management who have to make sure that the plan is carried out as intended.

The pre-implementation phase which involves setting the stage for the successful implementation of the plan should also be considered. The pre-implementation phase means the process by which management test if the process will be helpful in CRM application. The pre-implementation phase prepares one to meet problems with vigour. During the pre-implementation phase, attention should be paid to overcoming unfounded fears, fights, ignorance, and to ensuring a positive attitude. Gouws, et al., (2006: 258) as well as Van Rensburg and Venter (2005: 47) view the best tool to neutralise ignorance and ensure a positive attitude is communication. Through communication employees of the organisation are able to remain aware of the organisation's goals, know how their work contributes to these goals, understand how the work of other employees contribute to the goals and make suggestions for improvement of procedures in the organisation.

It is through communication that employees are able to understand clearly what is be implemented and why. That is why communication that flows up-down and across in an organisation is encouraged. Even if there are problems encountered during monitoring of the implementation, they will be solved through communication before they reach a critical stage (Gouws, et al., 2006: 285).

Successful implementation of strategies depends largely on communication, and the quality relationships among those involved in the plan (management, employees, customers and the community). A quality relationship is a pillar on which implementation must be built. Without good relationships, employees do not pull together in the same direction. Employees also need to be evaluated to determine whether there is effective communication between management and employees, or among the employees. If there is effective communication it affects the organisation in a positive way (Kaplan and Norton, 2004: 63).

During the implementation phase, flexibility should be considered as the best tool to help management to respond to changes as they arise. Management should be aware of the fact that customers are unique and should be treated equally. Management should train and offer all the support they can to the employees because trained and educated employees are flexible in their dealings with different customer personalities (Rozell, et al., 2004: 419).

Flexibility is one of the most essential qualities expected from management. Some managers are too rigid to never accept change. They stick to decisions that do not contribute to the welfare of customers and employees, even that of the community at large (Comb, 2004: 4).

Flexibility creates a warm relationship between management and employees which also helps management to mix with employees who will not feel threatened of losing their positions (McLean, 2006: 225 – 226). By socialising with employees management are able to know their employees better. Eventually know their employees and customers by name, but without favouring anyone. Favouritism is one of the weaknesses of some managers. In many organisations rigid rules and regulations apply only to those who are not favourites; with favourites there is always a reason for their misbehaviour. Flexibility should also help management to pave the way in creating an open culture of communication in the organisation.

2.6.1.4 Culture

The culture of an organisation may include several intangibles such as tone, value system, the standards by which merit is judged, personal relationships, habits, unwritten rules of conduct and practice of satisfaction judgement (Van Rensburg and Venter, 2005: 48).

Although management are the co-ordinators, they will not operate single handedly when it comes to cultural aspects of the organisation. Management as mentioned earlier need help from employees, customers or the community (Mithas, et al., 2005: 203 and Eisingerich and Bell, 2006: 87).

Terblanche and Boshoff (2004: 29) and Hellriegel, et al., (2004: 262 – 263) indicate that cultural characteristics, if effectively managed, help the organisation to develop the following attributes:

- ❖ organisation's innovation is valued highly;
- ❖ organisation's status is secondary to performance and contributions;
- ❖ management is a function of actions not positions;
- ❖ rewards are shared through the work of teams;
- ❖ development, learning and training are seen as critical paths to sustainability;
- ❖ empowerment, to achieve challenging goals supported by continued development and success, provides a climate for self-motivation.

The realisation of these expectations are promoted and enhanced by management through motivating all the parties concerned. Motivation from management develops self-esteem in employees, customers and the community. It clarifies the assumption that in order to create a culture conducive to the organisation, management need a helping hand from employees, customers and the community. Such conducive organisational culture aims at improvement, development, achievement and commitment. It also generates enthusiasm, a sense of humour, integrity, resourcefulness and creativity in employees. It

energises team work in all parties concerned (Chandrashekar, et al., 2007: 156).

Maintaining sustainability of culture needs commitment from management. Management's commitments entail working through others, to the extent that management organise and inspire others to perform their respective roles better. The tools that management can employ to generate total commitment from employees are recognition, motivation and reinforcement (Mithas, et al., 2005: 203)

The three tools mentioned above (recognition, motivation and reinforcement of employees by management) arm the employees to face challenges ahead with confidence, vision and strategic communication. The challenges may affect CRM in a negative or positive way, and may sometimes arise within the organisation, among employees, or sometimes between customers and the community. This is why the maintenance of harmonious, functional human relationships between an organisation and the community should be one of the priorities in an organisation's management (Mithas, et al., 2005: 203).

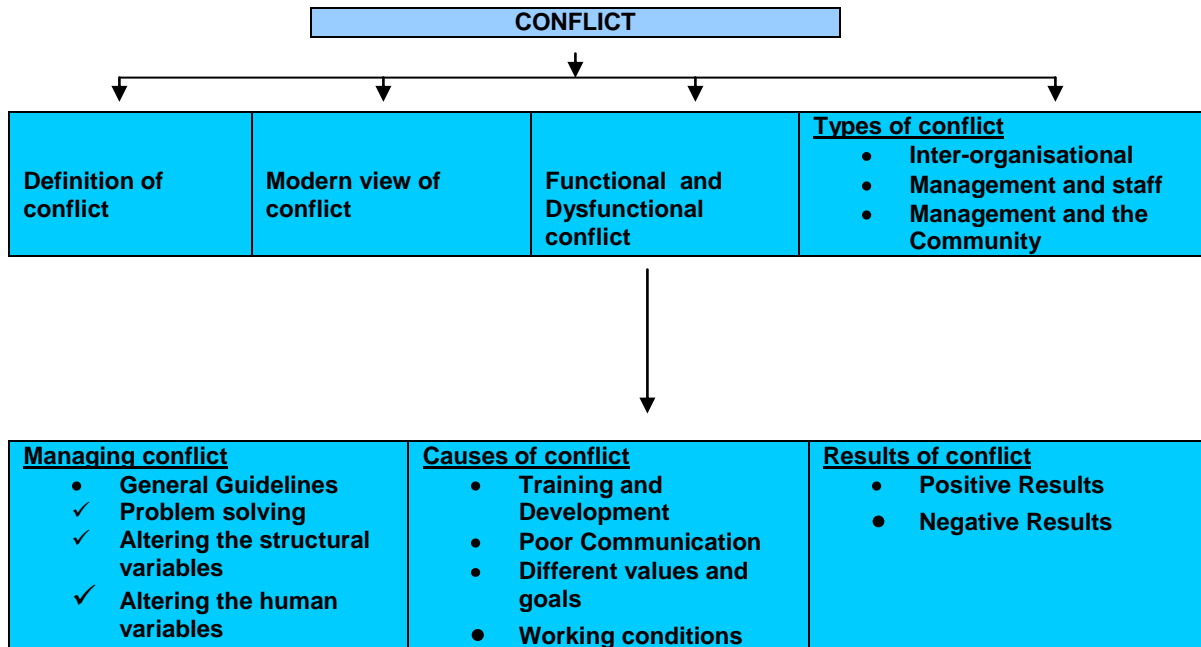
2.6.1.5 The effects of conflict on CRM

One of management's most important goals is to make it easy for management and employees to manage the conflict and stress in the workplace. According to Kritzing and Mona (2000: 367), conflict and stress will always be part of the day to day business activities, which may also affect CRM application in an organisation. Employees who are well trained and who interact with customers on a daily basis become aware of an easy way of solving conflict among themselves and customers.

As indicated in figure 2.3 below, CRM might be used in many situations in an organisation, such as managing conflict among individuals, management and

employees, and employees. Conflict affects the ability of the organisation and employees to function in a healthy way.

FIGURE 2.3: CONFLICT MODEL



Source: (Kritzinger and Mona, 2000: 366; Robbins, et al., 2004: 296)

Conflict among employees needs to be managed because an employee is a social being, and hence wants to associate with other employees. Good relationships promote this companionship (Liebenberg and Barners, 2004: 9). Conversely, poor relationships among employees may affect them negatively. To this effect Rozell, et al., (2004: 406) and Comb, (2004: 4) postulate that interpersonal and inter-employee disagreements are potential sources of conflict. This is because poor relationships hamper mutual support when there are problems, and make it difficult to delegate responsibilities to subordinates. Thus frustrations, lack of self-esteem, and communication, working environment, employees' salaries, anger and anxiety are all ingredients of potential conflict.

(a) Definition of Conflict

Conflict may be defined as a disagreement among employees, between management and employees, as well as between employees and customers. Conflict frameworks include poor communication among management, between management and employees, as well as between employees and customers (Kritzinger and Mona, 2000: 367).

(b) The modern view of conflict

According to Kritzinger and Mona (2000: 367), management in the past did not consider conflict as important in the workplace because conflict, according to management at that time, brought bad results in organisations. Lately management consider conflict important in the workplace because nowadays conflicts is regarded as contributing to the acquisition of skills, knowledge development, innovations, etcetera (see table 2.2 p. 42). Based on the information above, conflict must be well managed because conflict can either cause negative results if not well managed, or positive results if well managed. The positive and negative results of conflict are indicated in table 2.2.

Not all conflict causes bad results among employees, people or the organisation. Therefore the occurrence of conflict is acceptable. Some conflict benefits the organisation since it supports the organisation's objectives and goals and therefore stimulates creative, innovative thinking in an organisation (Robbins, et al., 2004: 291)

Smit, et al., (2007: 326) agrees that: "... most organisations experience internal conflict. Conflict need not always be negative (quite the contrary), but it has the potential to affect the goal attainment of groups negatively. Many conflicts are the result of disagreements between the various groups in an organisation. However, if correctly dealt with, conflict can prevent stagnation, stimulate creativity, release tensions and initiate change".

(c) Functional and dysfunctional conflict

Functional and dysfunctional conflict according to Robbins, et al., (2004: 290), refer to the positive and negative results of conflict. Table 2.2 p. 42 below will explain the functional (positive) results of conflict, and the dysfunctional (negative) results of conflict.

(d) Types of conflict

According to Smit, et al., (2007: 376) “The importance of communication skills in the workplace is nowhere more accentuated than in interpersonal relationships. Whenever interpersonal relationships exist, the potential for conflict exists”. Smit, et al., (2007: 376) further indicate that: “One method of managing conflict is by means of negotiation”.

Based on the discussion above, interpersonal relationships may include relationships within the organisation, the relationship between management and employees, and the relationship between management and the community. These types of interpersonal relationships are discussed below:

- ❖ **inter –organisation** – This is the type of conflict that exists among employees in the organisation;
- ❖ **management and staff** - This is the type of conflict that exists between management and other employees;
- ❖ **management and community** – Conflict may also arise if there is a misunderstanding between management and the community, which may include the customers.

TABLE 2.2: RESULTS OF CONFLICT

Functional (positive) conflict	Dysfunctional (negative) conflict
<ul style="list-style-type: none"> ▪ It encourages organisational innovation, creativity and change. Long standing problems surface and dealt with. ▪ It leads to more worker enthusiasm because workers get a chance to test their abilities. ▪ It leads to new approaches for solving problems. ▪ It can result in greater productivity. ▪ It increases loyalty, motivation, and teamwork. ▪ It results in better decisions. Often during an argument, new ideas can emerge, or you learn that what you thought to be right is wrong. 	<ul style="list-style-type: none"> ▪ It lowers the morale of workers, increases stress and tension and causes dissatisfaction. ▪ Individuals may focus only on their own interests, preventing teamwork. ▪ People may feel like losers and a climate of mistrust and suspicion may develop. ▪ Employee turnover and absenteeism may increase, productivity is reduced. ▪ Conflict wastes time and energy in searching for solutions. Often deadlocks are created, with no other alternatives being explored. ▪ Delayed and poor decisions are often costly results of such conflict. ▪ It disrupts communication and a willingness to listen. ▪ It has a negative effect on the external image and customer relations.

Source: Kritzinger and Mona (2000: 372).

(e) Causes of conflict

All the types of conflict mentioned above, may be caused by training and development, poor communication, different goals and objectives, and working conditions. (See discussion of each below).

❖ **Training and Development** – Training and development can also cause conflict, since people have different views from what they have learnt in workshops and training. In other words, the good thing about conflict that is caused by workshops and training is that the organisation may benefit from the conflict. As indicated in 2.6.1.5 (b) p. 40, not all conflict causes bad results among employees, people, or the organisation. Often the occurrence of

conflict is acceptable. Some types of conflict benefits the organisation since they support the organisation's objectives and goals, this promote creative innovative thinking in the organisation (Robbins, et al., 2004: 291). Smit, et al., (2007: 326) are of the same opinion and state that: "if conflict is correctly dealt with it can prevent stagnation, stimulate creativity, release tensions and initiate changes". It is clear that an organisation could benefit from conflict.

- ❖ **Poor communication** – Poor communication can also cause conflict, for example, some managers tell their employees to do things in a specific way. Employees then find out later, after the damage has been done, that managers did not want things to be done that way. The aforementioned then causes conflict between management and employees (Robbins, et al., 2004: 291).
- ❖ **Different goals and values** – The problem of different goals and values arise in big organisations where there are different departments (such as the marketing department, HRM department, finance department, public relations department, production department and maintenance department). Every departmental manager would like to do things his/her way without communicating with other departmental managers. This could lead to different goals and values (Smit, et al., 2007: 320).
- ❖ **Working conditions** – The procedures and policies of an organisation should be understood and clear to everyone to avoid conflict. Management should also make sure that office equipment and other resources are always in a good working condition, and that the rights of employees are considered by the organisation.

(f) Managing conflict

The goal of CRM regarding conflict management should be designed to help management find ways to help employees to manage conflict among themselves, rather than employees avoiding conflict and compromising. Avoidance, according

to Smit, et al., (2007: 377) “is a technique by which the conflicting parties withdraw from a conflict.” Compromising “is when each of the conflicting parties gives up something of value” (Smith, et al., 2007: 378). In addition, conflict among employees should be well managed because it is part of the employees’ daily activities; therefore it affects employee needs, performance, emotions and feelings, power and values. The role of CRM must be designed to help employees understand the implications of conflict among themselves, and in the organisation as a whole. The other role of CRM is to help those in conflict to understand their conflict style and its effect on employee performance as well as on the organisation’s performance (Smit, et al., 2007: 377 – 378).

The following guidelines can be used to manage conflict in the work place:

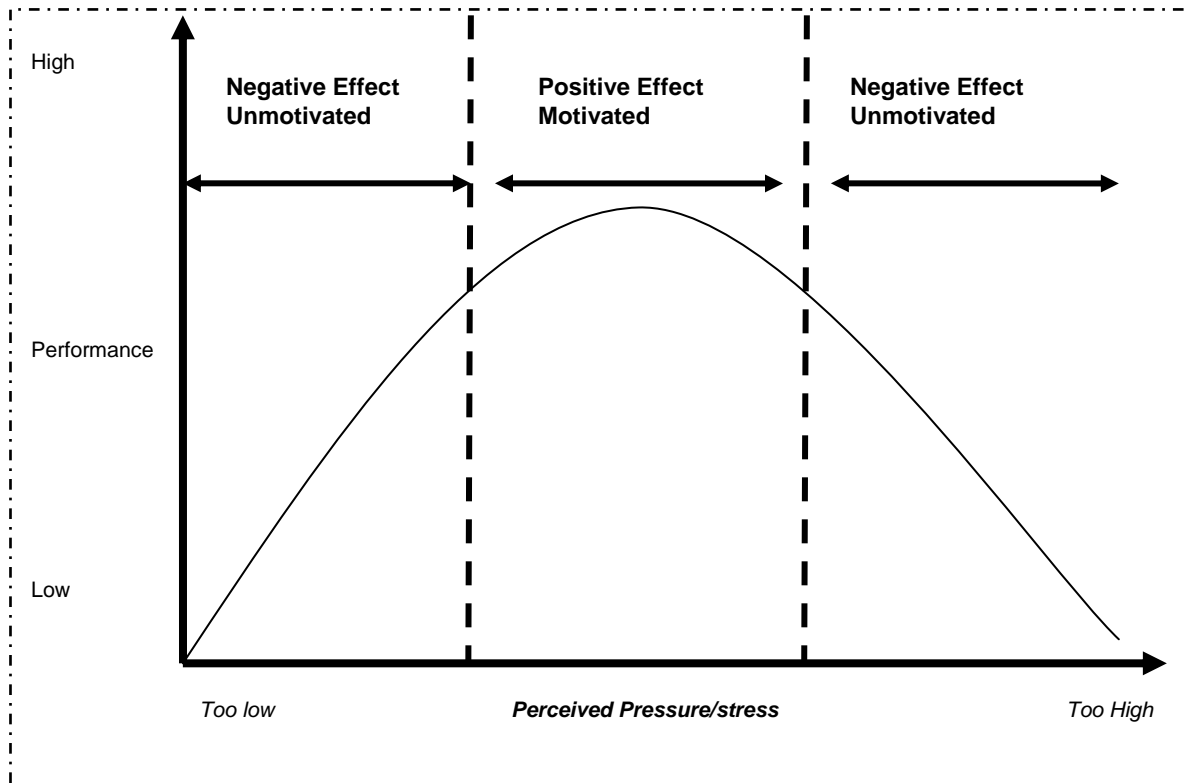
- ❖ **altering the organisational structure** – The organisation must be flexible to implement change management and the way the employees interact with one another (Robbins, et al., 2004: 266);
- ❖ **altering the human variable** – Workshops and training can be used to build employees’ attitudes towards customers and among themselves, and to maintain the relationship between employees and customers (Bandy, 2003: 8).

2.6.1.6 The effects of stress on CRM

Employees’ stress is increasing in many organisations nowadays and most of the stress frameworks include relationships with co-employees as a source of occupational stress. This may cause conflict and confusion among employees, duplication of work, and inefficiency of the organisation. All these may result in CRM failure if not well managed. Social support is important in helping individuals solve some problems at work. Thus, the old adage “a problem shared is a problem halved”, does have some truth (Rozell, et al., 2004: 406; Comb, 2004: 4).

In addition to the above, Graetz, et al., (2006: 343) posit that “Some levels of stress or tension is necessary to provide positive motivation. Excessive stress, however, will cause distress and lead to ‘burn-out’”. (See figure 2.4 below):

FIGURE 2.4 RESPONSES AND DIFFERENT LEVELS OF STRESS

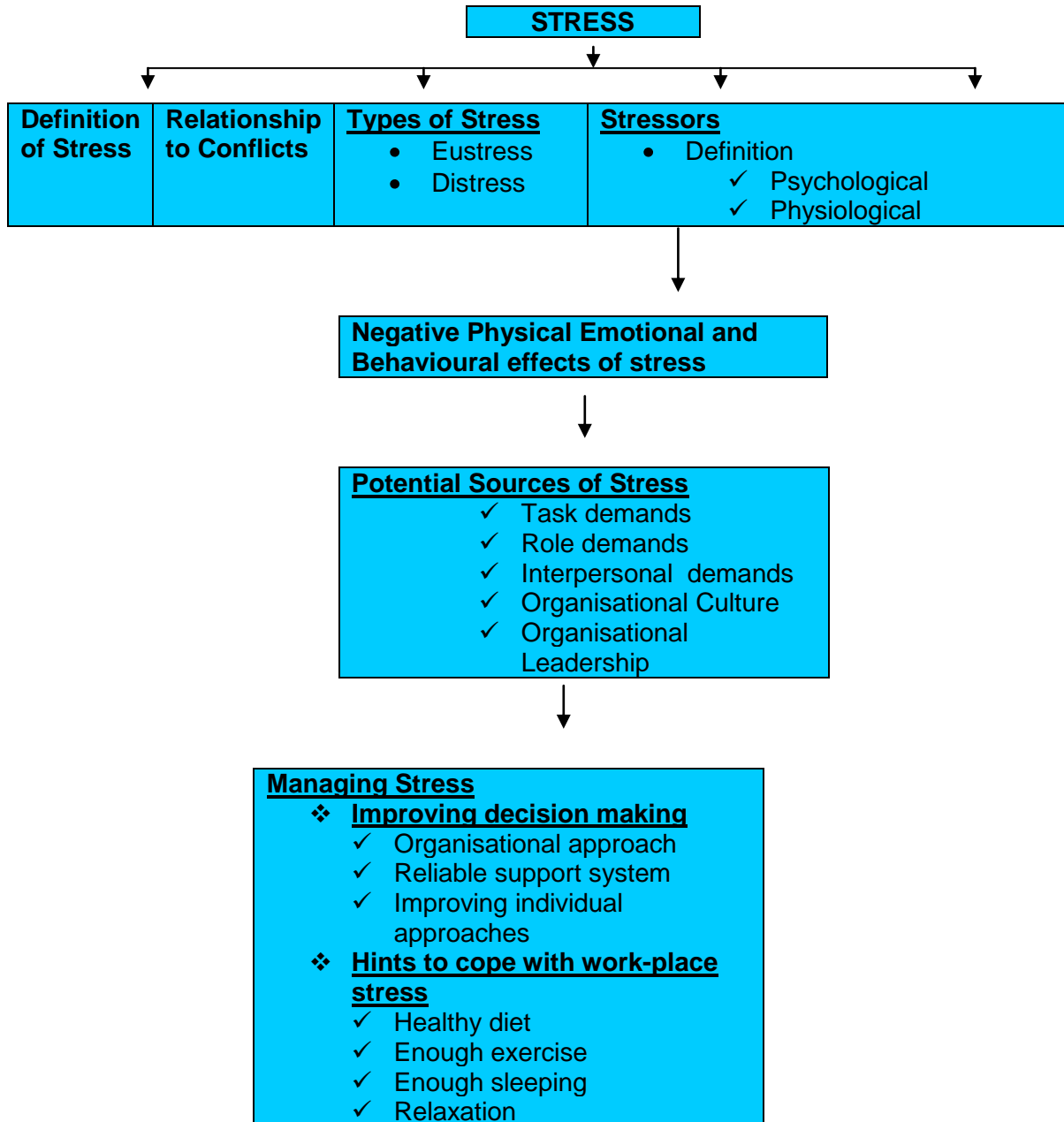


Source: (Graetz, et al., 2006: 343).

Encouraging employee commitment and involvement by management may reduce the level of stress among employees or between management and employees. Therefore the organisation should implement a motivation programme for its employees. Figure 2.4 shows that if employees are motivated their performance increases, but if employees are not motivated, their performance decreases, which could increase employees' daily stress.

It is clear that stress also has a positive relationship with unmotivated employees. Figure 2.5 below indicates the effects of stress on CRM. A brief discussion follow:

FIGURE 2.5: STRESS MODEL



Source: (Kritzinger and Mona, 2000: 383; Robbins et al., 2004: 421)

(a) Definition of stress

According to Robbins, et al., (2004: 420), stress is defined as the result of conditions whereby individuals are confronted with many organisational goals and objectives, the results of which could be bad or good for the organisation or the employees.

(b) Relationship to conflict

There is always a positive relationship between stress and conflict. Whenever there are constraints and demands from the organisation, employees be stressed because they will all want to meet their deadlines. This type of situation causes conflict among employees, which may be good or bad for organisational growth.

(c) Types of stress

As indicated by Graetz, et al., (2006: 343), stress is sometimes necessary for the organisation to achieve its goals and objectives. Robbins, et al., (2004: 420), are of the same opinion by stating that stress may be caused by many situations in the work place, which may affect employees' relationships in a negative or positive way, such as:

- ❖ **Eustress** - This is the type of stress caused by being complimented for a job well done. The employee will need to do more to improve his/ her performance, to be congratulated again and again. The employee at this stage would not want to let the organisation down, thus increasing his/her levels of stress (Robbins, et al., 2004: 420).
- ❖ **Distress** – This is the type of stress caused by poor performance and being under pressure at work to meet deadlines. The employee faced by this situation could be highly stressed and other employees could also be affected as a result of the situation (Graetz, et al., 2006: 342).

(d) Stressors

As indicated by Robbins, et al., (2004: 421), there are so many things that may be caused by stress in the workplace, namely: psychological symptoms (headaches, high blood pressure, and diseases) and physiological symptoms (anxiety, depression and decrease in job satisfaction).

(e) Negative physical emotional and behavioural effects of stress

All the above mentioned symptoms may affect the employees' emotions and behaviour negatively, which would lead to the following:

- ❖ reduced productivity;
- ❖ employee absenteeism;
- ❖ employee turnover.

The organisation's productivity could decrease owing to the effect of stress. Employees could also start neglecting their organisation by not coming to work during their working days. Employees may decide to leave the organisation and seek better offers or jobs from other organisations to avoid stress.

(f) Potential sources of stress

As indicated in 2.6.1.5 p. 38, one of management's most important goals is to make it easy for management and employees to manage conflict and stress in the work place. According to Kritzinger and Mona (2000: 367), conflict and stress will always be part of the day to day business activities, which may also affect CRM application in an organisation, as well as the performance of employees, if not well managed. Therefore, potential sources of stress will be discussed below:

- ❖ **task demands** – These are matters relating to the individual's responsibility, such as working conditions and the work layout. Working under poor conditions could cause employees more stress at the work place, for example, working in an office with no fans or windows in summer and no heaters in winter, could

cause much stress for employees and may affect the meeting of deadlines, and the speed of doing their work (Robbins, et al., 2004: 421);

- ❖ **role demands** – This is when employees are overloaded with work, but expected to reach their deadline within a very short period of time. This could also cause stress among employees. It is clear that every employee plays an important and different role in the organisation, but sometimes the organisation demands what is impossible from its employees (Robbins, et al., 2004: 421);
- ❖ **interpersonal demands** – Poor communication among employees could also cause employee stress, which may result in disagreement among employees (Robbins, et al., 2004: 421);
- ❖ **organisational culture** – This culture must clearly explain the duties of different departments in the organisation as well as different individuals to avoid conflict among departments or employees. The organisation's rules, regulations and employee rights, should be clearly indicated and explained to avoid conflict and stress (Graetz, et al., 2006: 343);
- ❖ **organisational Leadership** – The management style should be clear and understood by everyone in the organisation, as well as the objectives and goals that are set by management, to avoid stress and conflict (Graetz, et al., 2006: 342).

(g) Managing stress

Stress in the work place needs to be well managed because if not well managed it will affect employee performance, which may also affect organisational performance. Decision making and hints to cope with stress in the work place are considered as the best tools of managing stress and will be discussed below:

(i) Improving decision making

The following factors can contribute to improved decision making:

- ❖ **organisational approaches** – There should be a way of improving the organisation's communication between management and employees and among all the employees (Robbins, et.al., 2004: 424);
- ❖ **reliable support system** - Employees should also have the necessary equipment in the work place to be able to increase their productivity and speed level, as well as meeting deadlines easily (Robbins, et al., 2004: 424);
- ❖ **improving individual approaches** - Every employee must be trained to take full responsibility for her/his own stress, to be able to separate family problems from work related problems. In other words, employees should be able to manage their own stress and time.

(ii) Hints to cope with stress in the work place

Every employee needs enough time to relax in order to avoid headaches and high blood pressure, which may be caused by stress (Robbins, et al., 2004: 421 and 424). A healthy diet, enough exercise and enough sleep should also be considered as important tools in reducing individual stress.

2.6.2 The influence of the relationship between the employees and the customers on CRM

CRM application is also influenced by the relationship between the employees and customers. This type of relationship may affect the growth in relationship between employees and customers; it could also affect the training and planning of both customers and employees. A brief discussion of each follows:

2.6.2.1 Personal growth

Personal growth can only be attained by an effective and efficient employee, who first aims at the development of a customer morally, socially, intellectually and physically (Gouws, et al., 2006: 285 and Homburg, et al., 2005: 85).

What employee can become is determined by the employee's mental, physical and professional potential; as well as the manner in which this potential develops into skills, and is manifested as intelligence, physical abilities and personality, such as perseverance, power of concentration, sense of responsibility and tolerance (Chandrashekar, et al., 2007: 157).

Employees should grow in such a way that they develop empowerment to face every customer and the environment (community) in which they work with courage. According to Terblanche and Boshoff (2004: 29), this courage or confidence will give employees the ability to make their own decisions when needed, without consulting their managers.

2.6.2.2 Training

Customers are the most important assets of an organisation and therefore employees should be trained to treat customers with respect. Respect from employees can only be brought about by the training of the employees regarding customer relationships. This training may help employees to build long-term relationships with customers (Eisingerich and Bell, 2006: 87).

Training of employees in customer and employee relationships should build good relationships among employees, as well as between employees and customers. It will also help to neutralise some of the employees' negative attitudes, beliefs and emotions. If the characters of employees are moulded in the early stage of their employment, customers would have been respected by employees for as long as customers continue to buy from the organisation (Chandrashekar, et al., 2007: 156; Bandy, 2003: 8; Berman, 2002: 1).

2.6.2.3 Planning

Planning by employees cannot be done correctly without customers' involvement. Employees can decide and plan with customers on issues such as changes in service, the manufacture of products, selling, and distribution (Eisingerich and Bell, 2006: 87; Yoon, et al., 2004:3).

From the above paragraph, it is clear that planning means the activity of determining goals and objectives, and developing the procedure for future activities to reach the organisation's goals and objectives, with both employees and customers. Consequently planning with customers and educating customers will not only generate oneness and empathy, but will also help as a motivator of creative thinking. The customer may come up with constructive plans that may be useful in both the planning and implementation of the strategies in an organisation. In addition, planning is incomplete unless it includes both formulation and implementation (Eisingerich and Bell, 2006: 87).

Planning together and educating customers as mentioned above stimulates thinking. If thinking is encouraged in the organisation, employees may be amazed by customers' ideas. Sometimes customers may come up with brilliant ideas that show real insight into a situation, which may amaze employees (Eisingerich and Bell, 2006: 87).

2.6.3 The influence of the relationship between management and the community on CRM

Management are the co-ordinators of relationships between the organisation and the community. It is therefore the duty of management to create good relationships between the employees and the community at large. As the mediators, management should try their best to decrease conflict between employees and the community (Winer, 2001: 18; Murphy, et al., 2004: 59 - 62).

Unless table 2.3 below is well understood and implemented by management, there could be conflict that could lead to the distortion of an organisation's performance, which may also affect the application of CRM and cause CRM failure. Murphy, et al., (2004:61) strive for unity by making organisations aware that the community factor is essential in community satisfaction. In addition, employees' training conducted in isolation from the community does not prepare employees or management to deal with the needs, wants and expectations of the community and their world. Table 2.3 gives an indication of the stakeholders and examples of concern to each:

TABLE 2.3: STAKEHOLDER GROUPS AND EXAMPLES OF CONCERN

STAKEHOLDER GROUPS	EXAMPLES OF CONCERN
Employees	<ul style="list-style-type: none"> • Non-discriminatory, merit-based hiring and promotion. • Diversity of the workforce. • Wages and salary levels and equitable distribution. • Availability of training and development. • Workplace safety and privacy.
Customers	<ul style="list-style-type: none"> • Product/service quality, innovativeness, and availability. • Responsible management of defective or harmful products/services. • Safety records for product/services. • Pricing, policies and practices. • Honest, accurate and responsible advertising.
Community	<ul style="list-style-type: none"> • Environmental issues. • Community Involvement <ul style="list-style-type: none"> ➢ Availability of facilities and other assets for community use. ➢ Support for community volunteer efforts ➢ Environmental sensitivity in packaging and product design.

Source: (Hellriegel, et al., 2004: 129)

Employees should be trained and prepared to deal with the community in which their organisation is situated. An organisation cannot operate without the community because, according to Winer (2001: 18), community satisfaction is a vehicle for changing poor organisational performance to good organisational performance.

The community satisfaction strategy of an organisation should also reflect the philosophy of the society in which it operates. This strategy should be based on the needs and demands of society. The community should be included in the work of an organisation because if an organisation builds walls between the organisation and the community, the organisation's goals and objectives are not going to benefit the organisation and the community.

Many organisations could never have attained their current level of profitability without contributions of finance and labour from many thousands of community leaders and members. Management are the ones that request and demand help from the community, but after the community has fulfilled the request from management, the former then usually stand aloof. However, it is clear that the participation of the community in an organisation environment is crucial. To enable participation, the community organisational committee should be formed.

The organisational committees represent customers and the community in the running of an organisation. The formed committee will also bring about innovations that management and employees could hardly have reached alone (Eisingerich and Bell, 2006: 87). It needs to be reiterated that the establishment of good relationships between management and the community plays an important role in establishing good relationships between employees and customers, and between employees and the community.

2.7 CHALLENGES IN THE IMPLEMENTATION OF CRM

CRM has to overcome an array of problems and face varying challenges. Some of the major challenges include the lack of infrastructure, unclear objectives and goals, implications of inadequate employees' skills and failure to implement the strategies in the proper way (design or facility failure). The aforementioned can lead to poor CRM implementation, design failure, facility failure, employee failure and lack of communication if management do not address these challenges correctly (Berner and Van Tonder: 2003: 7).

2.7.1 Failure to implement strategies in the proper way

Past attempts by many organisations to change their way of doing business indicate that change that is not planned, cannot be managed; when change is not managed, it often leads to more problems than those that existed before changes was instituted (WASA, 2005: 28).

For an organisation to be truly customer oriented, it is important that the organisation design be well thought out strategies and that changes on CRM strategies be clear; this will help to inculcate a new culture of quality and service excellence. Such changes on CRM strategies will address, among others, customers' expectations from the organisation (Berner and Van Tonder, 2003: 7).

2.7.2 Lack of infrastructure

The lack of infrastructure affects the implementation of CRM in a negative way owing to lack of resources or poor resource management. According to Water Affairs and Forestry (2007:7), the capacity required for effective water supply is in short supply in many parts of Lesotho particularly in rural areas. It is important, therefore, to make the best use of existing capacity, particularly in the light of potential losses.

Another major challenge facing many water supply organisations is the extent and quality of their reticulation systems. Some of their assets are constructed as far back as five to ten years, which means that they have exited their life span. Over the years, these assets have not been replaced, except when there is a problem. Sometimes, the replacements are of different materials or sizes. These have been identified as the reason for frequently burst pipes and many other problems that may affect the environment, since they create different pressures within the systems (WASA, 2005: 30; Badenhorst, et al., 2003: 517 – 518). Weeden and Clarke (2004:181) agree that “patch and repair has proved less and less successful in holding down leakage in the London area; a more systematic programme of replacement is now needed”.

2.7.3 Implications of inadequate employee skills

In many organisations there may be enough employees however, the skills generally may not be appropriate. These could affect the application of CRM in a negative way because for employees to be able to deliver good quality service they need to have adequate skills. In addition to inadequate employee skills, there is little emphasis on employee training in many organisations strategic framework. Employee training and development is and should be regarded by Human Resource Management together with Marketing Management in the organisations, as an imperative for increasing productivity (Badenhorst et al., 2003: 193).

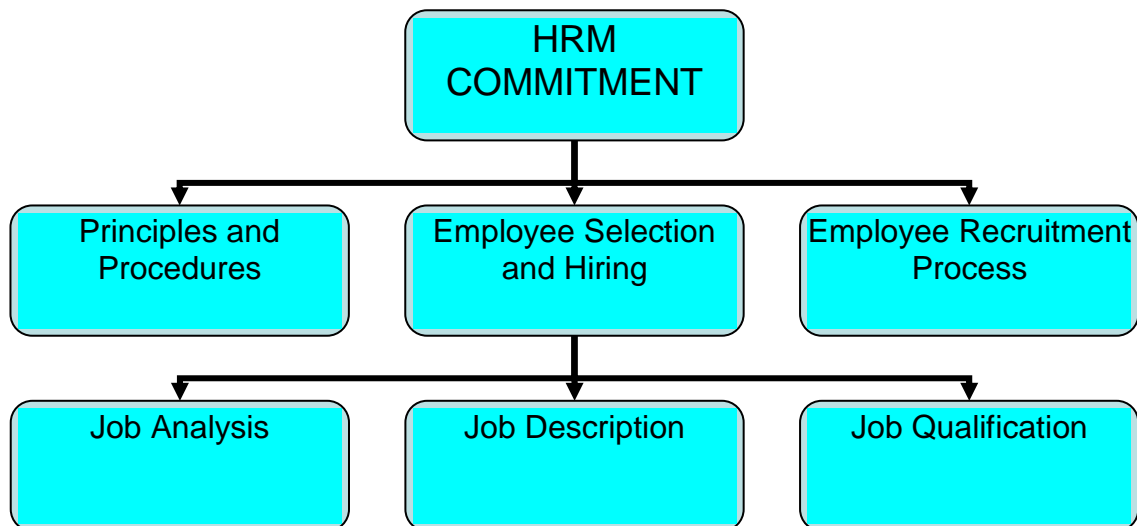
2.7.4 Unclear objectives and goals

Unclear objectives and goals may also affect CRM applications in a negative way. Objectives and goals should be designed to guide and lead employees to what the organisation wants to achieve in a specific period. Therefore, if objectives and goals are not clear to employees, it means that employees will fail to reach their goals; failing to reach their goals will also cause CRM failure (Smit, et al., 2007: 320).

2.8 THE ROLE AND CONTRIBUTION OF HUMAN RESOURCE MANAGEMENT (HRM) IN CRM

To facilitate the management of customer relationships, the organisation must consider in the first place hiring qualified and skilled people. It is therefore the duty of Human Resource Management (HRM) to select and hire suitable people (Graetz, et al., 2006, 180 – 181). The role of HRM affects CRM application in such a way that without hiring qualified and skilled people, an organisation may fail to implement effective and efficient CRM (Ehlers and Lazenby, 2007: 91). Figure 2.6 below will indicate the role of HRM that may affect CRM application.

FIGURE 2.6: HUMAN RESOURCE MANAGEMENT MODEL



Own model

2.8.1 Principles and Procedures

Badenhorst, et al., (2003: 194) state that for an organisation to function effectively, guiding principles and procedures, such as internal control measures, should be in place. These principles and procedures should be aligned to the labour codes, which are policy documents that govern Labour Relations between the employer and employee. These policies should be aimed at promoting workplace discipline,

enforcing a harmonious organisational environment and addressing issues such as recruitment, procedures and employee welfare (Liebenberg and Barnes, 2004: 9).

2.8.2 Employee selection and hiring

Customer satisfaction and loyalty depends largely on the organisations' employees. Careful selection, educating, training and empowerment of employees are the best drivers of delivering excellence on a consistent, continuous basis (Van Rensburg and Venter, 2005: 47).

In order to serve an organisations' customers, selecting and hiring suitable employees is essential. While attitudes, skills and knowledge can be taught, personality and character cannot. Therefore hiring the right people is merely the beginning of good employee performance (Leibenberg and Barners, 2004: 9; McFarlin and Schneider, 2004: 145). The right employee selection and hiring can affect CRM applications in a positive way, because it will be much easier for management to train qualified people. Therefore, for HRM to be able to effectively select and hire the right people for the job advertised, it has to develop a profile which includes the type of people needed, as discussed below:

- ❖ **job analysis** – this is the actual task of determining what constitutes a given job. Job analysis therefore, refers to the process of combining the tasks (job descriptions and job qualifications) that each applicant should possess in order to get the job (Nieman and Bennett, 2006: 246);
- ❖ **job description** – this is the document that sets forth the findings of the job analysis. In other words job description explains the duties and responsibilities that an applicant should perform (McLean, 2006: 146);
- ❖ **job qualifications** – is the specific personal qualifications and characteristics applicants should possess to be selected for the given job (McFarlin and Schneider, 2004: 145).

The above mentioned profile, which includes job analysis, job descriptions and job qualifications, seems to be the most crucial part to be organised by the HRM department, as it may affect the application of CRM, which may include employee performance and employee services. Employee service could also affect customer satisfaction and the organisation's productivity in a positive way if the selection and hiring process is done in a correct way.

In other words, once the HRM structure is in place (refer to figure 2.6 p.57), HRM must consider the job analysis as important because it contributes (as indicated above) to the performance of the different positions of employees in an organisation. This could also contribute to achieving the organisation's goals. Consequently HRM need to have a very clear understanding of the role and contribution played by the selection and hiring process in the application of CRM, and the way it operates.

2.8.3 Employee recruitment process

Qualified and skilled people for the job advertised must be recruited (Liebenberg and Barnes, 2004: 9). There is a tendency in many organisations to recruit people who do not qualify for the job. They are recruited only because they are known by the recruiters. This must come to an end because it affects team work and co-operation in a negative way; it also affects the performance of the organisation, which may result in CRM failure. Therefore, recruiting qualified and skilled people could benefit the organisation because when training employees, they need to receive specialist training in what they are qualified for and skilled in. Badenhorst, et al., (2003: 196) concurs that for the organisation to be able to function effectively, it must recruit qualified employees.

HRM who continue recruiting unqualified people for the job must be aware that the organisation's ability to be a world class organisation depends on the competency of the organisation's employees; therefore the organisation must be made up of

suitably qualified and skilled workers, who believe in themselves and strive for excellence in everything they do (McFarlin and Schneider, 2004: 145; Rozell, et al., 2004: 419).

HRM need to recruit an adequate number of applicants, and the selection of the most qualified applicants must be considered in the selection process when hiring people (Nieman and Bennett, 2006: 245). In other words the HRM should hire people who have been selected strictly, not those who HRM favour.

2.9 CONCLUSION

For many reasons CRM is considered as moving target because customer expectations from the organisation, the products and service performance; employee expectations from their organisation, organisation's expectations from their employees, as well as organisation's performance and standards, are continually changing. That is why it is very important for the organisation to continually monitor the needs and satisfaction of its employees as internal customers, as well as the needs and satisfaction of their external customers.

An organisation with a strong and effective CRM application has a commitment and continuous relationship with its employees at all the levels, including different departments, customers and the community. Such an organisation is likely to understand their employee, customers and community needs. It is also likely to measure its employee performance and customer satisfaction in order to provide better service to its customers in the future.

Chapter 3 will cover customer satisfaction, the factors that influence customer satisfaction and tools for achieving excellence.

CHAPTER 3

CUSTOMER SATISFACTION

3.1 INTRODUCTION

Effective CRM implementation is dependent on customer satisfaction and customer service. In other words, these are the fundamental factors to be considered by management when implementing CRM. Customer satisfaction and customer service do not simply entail providing good service; it is also critical that a service be rendered that is appropriate and carefully matched to the individual customer's expectations and ability to pay for the desired level of service (Gouws, et al., 2006: 285).

According to Nelson, et al, (2005: 160) customer satisfaction "can be defined as a state of mind set that customers have about their expectations over the lifetime of a product or service. Higher customer satisfaction reflects more positive experience with a firm". Tsosa (2002: 45) concurs that "Customer satisfaction is generally defined as an evaluation response concerning the perceived outcome of a particular consumption experience".

Based on the definitions above, customer satisfaction can be defined as the perception by customers of the products/service performance. The implementation of a total customer satisfaction programme requires the organisation's total commitment. An organisation's total commitment involves employee commitment to customers and measuring of customer satisfaction regularly, which is also known as marketing research (Yang and Peterson, 2004: 803 – 804; Srinivasan and Moorman, 2005: 195; Liu, 2005: 427).

Customer and employee participation in marketing research are considered important when building total customer satisfaction (Russ-Eft, 2004: 213). The

organisation's mission statement and CRM plans should focus on increased customer satisfaction (Yang and Peterson, 2004: 804; Srinivasan and Moorman, 2005: 195)

If implemented correctly, marketing research can provide important information regarding organisational development, information on identifying and evaluating opportunities for the organisation, planning and implementation of CRM strategies, analysing the organisation's performance, and determining if customers are satisfied or not satisfied (Coyles and Gokey, 2005: 101 – 102). If marketing research is not satisfactorily implemented it could provide information which is not relevant to the organisation. This may lead to customer dissatisfaction and the wrong implementation of CRM strategies. Wrong market research can also result in the wrong analysis of the organisation's performance, which is also known as CRM failure.

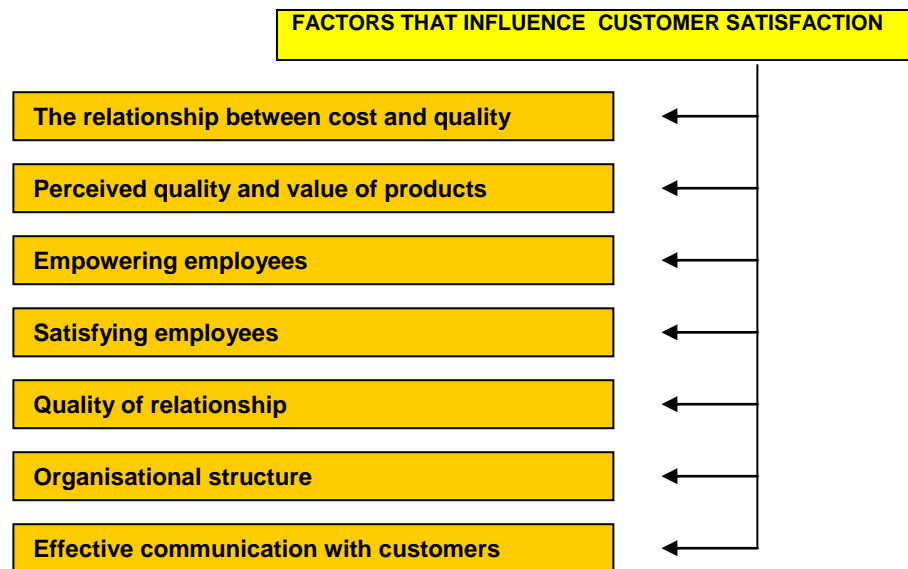
An organisation should realise that customers are the most important assets of the business. It is therefore important to improve the quality of the products/services offered to the customers, in order to keep customers loyal and committed to the business. To be able to do this, it is important to measure the customer's satisfaction on services that are rendered, on a continuous basis. Different ways (complaints and suggestion systems, customer satisfaction surveys, ghost shopping) in measuring customer satisfaction can be used (Gouws, et al., 2006: 28).

The organisation should also use satisfaction measures to evaluate the effectiveness and efficiency of CRM applications and employees' performance or attitude towards customers. This will necessitates the development of employee performance quality that could be used to establish to what extent the organisation's customers are satisfied or dissatisfied (Gouws, et al., 2006: 28).

3.2 FACTORS THAT INFLUENCE CUSTOMER SATISFACTION

Factors that influence customer satisfaction are indicated in figure 3.1: the relationship between cost and quality; perceived quality and value of products/services; empowering employees; satisfying employees; quality of relationship; organisational structure; and effective communication with customers.

FIGURE 3.1: CUSTOMER SATISFACTION MODEL



Own model

3.2.1 The relationship between cost and quality

When it comes to the issue of quality of the products/services as related to the cost, there are different viewpoints. Many would agree that increasing the quality is likely to add to the cost (Fitzgibbon and White, 2005: 220), but fewer would agree that increasing the cost would add to the quality.

Under some conditions there is not necessarily a relationship between cost and quality:

- ❖ in some organisations, the quality of services/products may be affected by poor management and poor employee policies. For example, the organisation that hires more competent employees will offer better quality than those that hire a large number of employees with limited competence (Froehle, 2006: 16);
- ❖ in some instances, a change in state laws may require the continuation of outdated practices that limit or do not add to the quality of services/products provided. A change in such laws may not result in the improvement or quality of services/products because of the absence of material and financial support.

3.2.2 Perceived quality and value of products/services

According to Kotler (2003: 60), an organisation's first goal is not only to attract customers, but also to satisfy them with the products/services they receive (which is also known as the perceived value).

In addition to the above mentioned, it is not easy to satisfy customers because customers seem to be more concerned on how much they pay and the benefits they get from their payments for products/services; therefore the perceived value can either be described as customer experience of products/services, or the quality perceived from the products and services (Terblanche, 2006: 34; Yang and Peterson, 2004: 802). Tsosa (2002:48) is of the same opinion and defines perceived quality and value as the customers' overall judgement of the product/service performance. A customer experience can either be positive or negative. A positive experience is indicated by customers' satisfaction and loyalty, while a negative experience is indicated by customers who are not satisfied and complain about the performance of the product/service (Woo and Fock, 2004: 60; Terblanche, 2006: 35).

3.2.3 Empowering employees

Empowering may involve giving employees the right to act promptly on customer requests; empowered employees do not have to obtain approval from management before responding to customer complaints or enquiries, because they are trained to take action or to solve the problems which may arise on a daily basis (Mulhern and Duffy, 2004: 65; Van Rensburg and Venter, 2005: 48).

Empowered employees release their judgement initiative and creativity in serving customer requirements. Front-line employees (salespeople) are the ones who know best how to satisfy customers. Employees can act on this knowledge of interacting with customers daily without being restricted by management's rules. Employees can serve as ambassadors in creating and maintaining customers' goodwill. By acting promptly, employees can create customer satisfaction, loyalty and retention (Bandy, 2003: 7; Kotler, et al., 2003: 373).

3.2.4 Satisfying employees

Employees are the organisation's internal customers; therefore employees are the most important assets of the organisation. If employees are satisfied, it will be possible for them to satisfy customers. In addition, satisfied customers may become loyal to the organisation by talking favourably about the products and services they received from the employees. In general, satisfying employees is not only a reward to employees, but also a way of increasing the organisation's profitability (Strauss, et al., 2005: 230; Rozell, et al., 2004: 407 - 409).

Gouws, et al, (2006: 288); Liebenberg and Barnes (2004: 9 – 10), agree on employees satisfaction by stating that if the organisation wants to satisfy its customers, it first has to satisfy the employees by creating a good working environment and empowering employees through training and workshops. In other words, the organisation has to spend a great deal of money on employees before the organisation can expect good customer service from employees.

The higher the employees' satisfaction the higher the employees' performance in delivering better service to customers.

3.2.4.1 Why job satisfaction contributes to employee satisfaction

According to Pettijohns, et al, (2007: 77); Fishman and Svenson (2007: 88), the contribution of job satisfaction to employee satisfaction is as follows:

- ❖ it gives the employees a chance to do different things from time to time;
- ❖ it motivates employees because they are praised for the job well done by their management;
- ❖ it promotes co-ordination among employees;
- ❖ it gives the employees the freedom to use their own judgement;
- ❖ it helps employees achieve things and do things for others without hesitation;
- ❖ mostly, it encourages good relationships among employees, between employees and customers.

It is clear from the information above that job satisfaction and empowering employees are important because they increase employees' morale to perform their daily work to the best of their ability. In other words, satisfied employees can increase the organisation's sales. This indicates that job satisfaction promotes total employee commitment.

3.2.4.2 Factors that may influence job satisfaction

As indicated earlier in 3.2.4 p. 65, satisfying employees is one of the most important tools to consider when building trust between the organisation and its customers, therefore, several dimensions which influence job satisfaction are discussed below:

(a) The work itself

Every employee should be afforded the opportunity to use his/her judgement when interacting with customers. This could give employees the freedom of doing their job without hesitation and may also help employees to learn more about their customers (Mulhern and Duffy, 2004: 65).

(b) Supervision

Fair supervision impacts on employee satisfaction. In other words, when employees feel that they are treated fairly by their supervisors, they become motivated and satisfied. Satisfied employees will contribute to the achievement of the organisational goals and objectives (Robbins, et al., 2004: 77).

(c) Promotional opportunities

Promotions serve two purposes in an organisation. *Firstly*, it motivates and congratulates the employees on a job well done; *secondly*, if the employees are motivated and satisfied, they will strive to work harder, which could also contribute to the growth of the organisation (Robbins, et al., 2004: 77).

(d) Co- workers

Team work promotes awareness of customer needs and what needs to be done in an organisation. It also contributes to decreasing negative conflict which could discourage employees from working as a team. Team work also creates creativity, morale, vision and freedom of thought (Kaplan and Norton, 2004: 62).

(e) Working conditions

Workplace discipline is often difficult and contentious as workers are sometimes not aware of their rights during their working hours. The disciplinary enquiry is the most important step in the debating resolution process. It is further important that all employees know and understand their rights as well as their organisation's rights, in order to determine procedural fairness effectively. This necessitates a good understanding of what fair working conditions are in terms of the

organisation's Labour Relations. Also, an ill qualified, disaffected employee working in poor conditions and constantly short of money, will not be effective in implementing changes in the organisation (Liebenberg and Barnes, 2004: 9).

(f) Salary

It is very important for every organisation to make sure that their employees' salaries are equal to the performance expected from their employees. In other words, poor salaries lead to low employee morale and lead to poor employee performance. Satisfied employees could go the extra mile to satisfy their customers and could talk positively about their organisation (Hellriegel, et al., 2004: 262).

3.2.4.3 How employees can express dissatisfaction

According to Robbins, et al., (2004: 79), the dimensions portrayed below can express the dissatisfaction of employees in an organisation:

(a) Exit

Employee dissatisfaction is expressed by numerous employees wanting to leave their organisation for another organisation or looking for new positions within their organisation.

(b) Voice

Dissatisfied employees could not care less about the organisation's improvements or solving problems of their customers, or the problems among employees. This could lead to employees' speaking ill of their organisation internally or even externally.

(c) Loyalty

As indicated above dissatisfied employees are not loyal to their organisation. Consequently this can result in criticism of or negative talk about their

organisation. This shows that these employees do not trust their organisation and do not even speak up for their organisation when there are problems.

(d) Neglect

When things go wrong dissatisfied employees sit back and do nothing, but only point fingers at their organisation. They neither try to correct nor stop the situation. They just allow the situation to worsen. Some employees do not even go to work; they decide to do their own personal matters during working hours.

3.2.5 Quality of Relationships

Quality is an elusive. Therefore, as mentioned earlier, the organisation should form a partnership with its customers as a means of continuous improvement on products/service (Mithas, et al., 2005: 202; Wang, et al., 2004: 173).

Partnering with customers for quality and improvement may also help the organisation to achieve consistent quality of inputs that the organisation receives from the customer (external sources). Continuous improvement and partnering with the customers may affect the relationship with the organisation and the customers in a positive way which could lead to customer satisfaction and profit growth (Mithas, et al., 2005: 203).

3.2.5.1 Relationship commitment and trust

Relationship commitment and trust is based on the input of parties, employees and customers. This relationship may have a positive or negative association with the satisfaction, loyalty and usage of products/service. The organisation should perform services right the first time as promised to customers, in order to build trust between the organisation and its customers. Customers also need to feel safe and protected when making transactions with the organisation. Customers need to know that they are needed and freely allowed to air their views about changes in products/services provided by the organisation. Customers need to

feel free to complain about the quality of the product/service (Fornell, et al., 2006: 4).

3.2.6 Organisational structure

Good organisational structure should include a marketing department, because the marketing department's responsibilities are to make sure that the service delivered to the customer is of the best quality, to improve the quality of relationships between the organisation and its customers. Quality can be improved by either communicating with customers face to face or by conducting a customer satisfaction survey to see if customers are satisfied or not satisfied. Results of marketing research will give an indication of whether the organisation is achieving its objective of satisfying its customers or not (Devi, 2003: 1 ; Garth, 2005: 44).

The organisational structure should be built around activities, not around people. This means that organisational strategies or structure should be focused on revenue (sales), profits, employee satisfaction, customer satisfaction, customer loyalty and increasing the information on customer service (Liebenberg and Barnes, 2004: 8). Every employee should be clear on what he/she is responsible for. Their duties should be truly related to their job descriptions, as discussed from the day they were recruited by the HRM department. For HRM to be able to engage in the above mentioned, they should be trained and qualified.

Management should be given enough time to plan and to implement their strategies. The organisation is expected to be stable, but at the same time flexible. Customers expect to get what they want, when they want from the organisation (Trigger and Harrison, 2006: 102). Management activities should be balanced and co-ordinated. This means that even though there are different management departments in the organisation, communication should be linked in all the departments, so that objectives and goals are be balanced. Griffin (2002: 68) agrees that the success of an organisation depends not only on how well each

department performs its work, but also on how well the various departmental activities are co-ordinated.

The organisation's structure should also involve the organisation's policy, physical aspects, reliability, credibility, accessibility and excellence as indicated below:

3.2.6.1 Organisation's policy

The organisation's policy should be arranged as follows, according to Terblanche and Boshoff (2006: 2):

- ❖ convenient shopping hours should be provided by the organisation to its customers;
- ❖ merchandise offered by the organisation should be of high quality;
- ❖ the organisation must make provision for customers with special needs;
- ❖ the organisation should offer its own credit facilities;
- ❖ the organisation should accept major credit cards.

3.2.6.2 Physical aspects

The CRM literature identifies several factors that may influence customer satisfaction. According to Terblanche and Boshoff (2006: 2); Miranda, et al., (2005: 221) the organisation's physical attributes embrace the following:

- ❖ the location of the organisation must satisfy the customers;
- ❖ the organisation's layout should be arranged in such a way that it would be easy for customers to find what they need;
- ❖ the organisation's building and facilities should be visually appealing.

3.2.6.3 Organisation's reliability

The reliability of the organisation also has a strong influence on customers' expectations. Ziglar and Hayes (2001: 301); Nunes and Dreza (2006: 131) have similar views on the organisation's reliability as the following indicates:

- ❖ customers expect the organisation to perform the service right the first time;
- ❖ customers expect the organisation to always have the products/service available when needed;
- ❖ customers expect reasonable prices from organisations;
- ❖ if the organisation promises the customers to do something within a certain time, the organisation should do so without failure (Nunes and Dreza, 2006: 131). In addition, as stated by Boshoff (2007: 43), customer satisfaction is the output of good organisational performance. Conversely, customer dissatisfaction is the output of bad organisational performance.

3.2.6.4 Credibility

The organisation must make sure that its customers believe in its employees, the organisation's products/services, performance, and procedures. If customers do not believe in the organisation, customers will not buy from the organisation again, unless the customers are obligated to buy from that organisation (P. C. Training, 2008: 15 – 16).

3.2.6.5 Accessibility

Customers need to know that the organisation is there for customers to help solve their problems when the need arises. Customers also need to know that the organisation's products/services are easy to access (P. C. Training, 2008: 15).

3.2.6.6 Excellence

If the organisation provides excellent customer service, it should strive for excellence in everything it does.

3.2.7 The importance of effective communication with customers

Communication according to Finnemore and Van Rensburg (2003: 294) “ ... is the process by which a person, group or organisation (the sender) transmits some type of information (the message) to another person, group or organisation (the

receiver)”. Based on this definition, communication is the function that consists of the transmitting of information and messages between the organisation and the customers, to the end that the most favourable climate for the organisation is created.

It is important for the organisation to communicate with its customers in order to build effective CRM strategies. The organisation can learn about customer’s expectations and needs only through effective communication with its customers. Through effective communication with customers, the organisation will be able to generate new ideas based on customer expectations and needs from the organisation and its employees (Eisingerich and Bell, 2006: 89; Terblanche and Boshoff, 2004: 40).

If an organisation manages communication between its employees and customers effectively, the organisation will be able to recognise that customers provide valuable information to the organisation (Eisingerich and Bell, 2006: 87; Fitzgibbon and White, 2005: 215).

The information provided by customers will affect a wide variety of internal and external organisational touch points. Touch points can be described as areas in the organisation where customer’s data will be gathered and used to guide and direct decision making within the organisation (Eisingerich and Bell, 2006: 89). Examples of external touch points might include a customer talking with salespeople, delivery personnel, and product installers (Eisingerich and Bell, 2006: 89). Internal touch points might include employees talking to management about the quality of the products and services.

Updated information can be obtained from communication between employees and customers. Therefore, in a CRM system, the issue is not how much data is obtained, but rather what types of data should be acquired and how they can be used effectively for relationship enhancement (Eisingerich and Bell, 2006: 89).

The organisation should firstly understand how the customers' information will be helpful in CRM strategies, before the organisation can discuss the type of data to collect. The customers' collected information should define or explain the products or services, the customers' expectations and needs, and the customers' preferences for future products or services, as well as future communication between the organisation and its customers. This could lead to a total commitment throughout the entire organisation (Terblanche and Boshoff, 2004:42; Eisingerich and Bell, 2006: 89).

The organisation should communicate the content of the consumer charter (needs, expectations, feedback) to the customers through the services that the organisation provides. Organisations must make themselves accessible to consumers and provide the necessary facilities to receive consumer's payments, queries, complaints and suggestions on product as well as service improvements.

3.3 TOOLS FOR ACHIEVING EXCELLENCE

In order for the organisation to achieve excellence, it requires a powerful and exciting vision that can move employees to act in accordance with satisfying customers. Management should base their vision on a set of values that are easily understood by every employee and widely practised by every employee. Such values include honesty, trustworthiness, respect for the dignity of the individual, innovation, creativity, openness, flexibility, total commitment to customer service and continuous improvement on products and services as well as improvement of employees' performance (Kaplan and Norton, 2004: 57; Van Rensburg and Venter, 2005: 47). Several factors (customer friendly process, delivering a high quality and high value product, total commitment to a quality product and continuous improvement of products and services, team work and co-operation, increasing productivity, improving customer service centres, and knowledge of customers' needs, wants and expectations) need to be considered

by management in order to achieve excellence service, which will be discussed below:

3.3.1 Customer friendly process

As indicated in the previous chapter, for the organisation to be able to satisfy its customers, it must first of all start with the training of its employees, by motivating and empowering them. As indicated earlier in this chapter, if employees are satisfied, it will also be possible for employees to satisfy customers (Strauss, et al. 2005: 230). There are four customer expectations that will be discussed below:

- ❖ **friendly caring service** – Customers should feel that their needs and wants are appreciated by the organisation that they contribute to the future of the organisation, by sharing ideas on products and service improvement, and development (Amin, 2005: 14);
- ❖ **flexibility** – Customers want the organisation to find a way to get them what they want, when they want it. This means that if the organisation does not have the products or services at the time the customers want it, there should be a plan in place to solve the problem, so that customers may leave the organisation satisfied (Trigger and Harrison, 2006: 102);
- ❖ **problem resolution and recovery** - Customers want the organisation to pay attention to their business problems. To be able to do this the organisation should have after sale service and a free call centre, where customers are able to register their problems or communicate directly with employees through telephones. Customers also want their problems, complaints or errors to be handled promptly and to their entire satisfaction (Williford, 2005: 52).

3.3.2 Deliver a high quality and high value product

For the organisation to be able to produce high quality and high value products, the organisation should consider the customers' contribution as important. New ideas and suggestions from customers must be useful in product/service improvement or in the production of the products. Customers' ideas and

suggestions may help the organisation to provide customised services and products (Hawkings, et.al., 2004: 12).

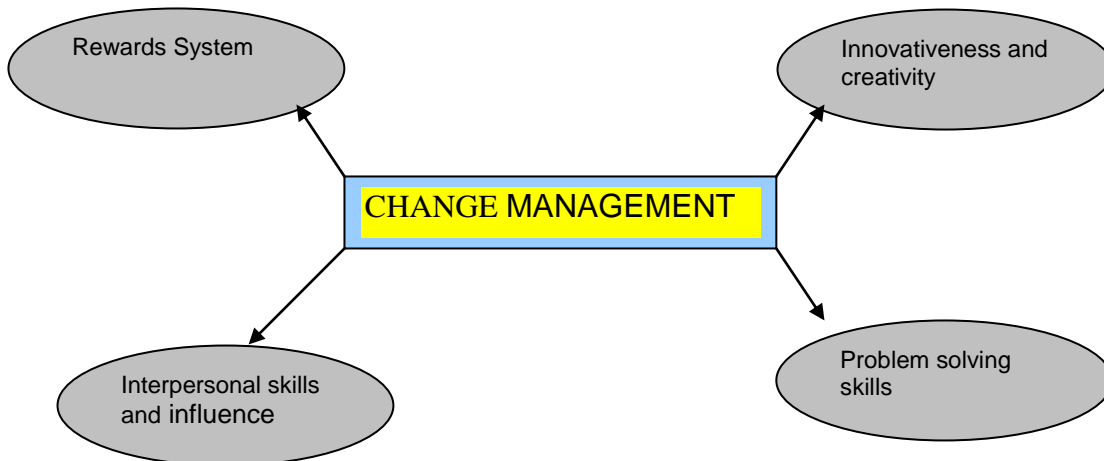
The organisation needs to understand the uniqueness of customers, how they shop, their needs, their perceptions of brand and attitudes regarding brand choice, and also what influences them in determination of their choices. The organisation should also understand the culture of the environment in where customers live, because this could also determine if the customers need to buy the products or services (Hawkings, et al., 2004: 367; Sheth and Mittal, 2004: 12).

3.3.3 Total commitment to a quality product and continuous improvement of products and services

The organisation must be aware that continuous improvement of their product and service to customers are essential to the organisation's success. The organisation should be committed to the concept of Total Quality Management and continuously search for the best ways of delivering their products and services. To this end the organisation should be relentlessly pursue creative and innovative ways of doing things. In other words, management should consider Change Management as their primary goal with regard to the total commitment to a quality product and continuous improvement (Badenhorst, et al., 2003: 193).

Figure 3.2 p. 77 will help guide management to pave their way to total commitment in producing a quality product and to improve continuously.

FIGURE 3.2: CHANGE MANAGEMENT MODEL



Source: (Badenhorst, et al., 2003: 193)

3.3.3.1 Reward system

Rewarding employees as indicated earlier is the internal drive that could encourage employees to work hard, in order to achieve the organisation's goals and objectives (Strauss, et al., 2005: 230).

3.3.3.2 Interpersonal skills and influence

For the organisation to be able to implement continuous improvement, it should from the entry level hire and select people with skills and knowledge. The organisation after having hired and selected the right people should also try to maintain what these new recruits have, to enable the organisation to achieve its goals and objectives. Management should also motivate employees to perform their duties to their best (McFarlin and Schneider, 2004: 145).

3.3.3.3 Innovativeness and creativity

Training and workshops create innovativeness and creativity among employees. Creative employees are flexible to solve customers' problems without having to consult with top management on how to interact with customers. Creative

employees have creative ideas, which may be important for the organisation's future. (Badenhorst, et al., 2003:193).

3.3.3.4 Problem solving skills

As indicated above, for employees to be able to solve customers' problems, they need to be trained in order to turn negative situations into positive situations. If employees are well trained to solve customers' problems, they could create, build and maintain good relationships between the organisation and customers (Eisingerich and Bell, 2006:87).

Robbins, et al., (2004: 404) are of the same opinion and indicate that for the organisation to be able to implement continuous improvements, it needs to consider adopting changes as important, or else it will flounder. The HRM's role in the organisation should also change according to the workplace environment in order to keep employees committed, safe, and satisfied with their organisation. This adopted change could be implemented through workshops, training of employees and improving office equipment by updating computers, and telephones in the workplace to improve employee skills.

3.3.4 Team work and co-operation

In every organisation the implementation of CRM can be a strength or weakness. Therefore the organisation should recognise and encourage team effort, harmony and co-operation, it should not neglect the value derived from individual contributions, with every employee working towards the same organisational goals and objectives, with unreserved commitment (McFarlin and Schneider, 2004: 145).

In addition, the organisation's ability to be a world-class organisation depends on the competency of every employee. Therefore the organisation should be made up of suitably qualified and skilled employees, who believe in themselves and strive for excellence in everything they do (McFarlin and Schneider, 2004: 145; Leibenberg and Barners, 2004: 8)

3.3.4.1 The effects of team work and co-operation

Factors that undermine productivity within organisations are lack of co-ordination and team work. It is therefore important that a deliberate effort be made to promote a culture of working together towards a common goal among the organisation's employees. This should be done through, among others, training in team work and co-operation, implementation of team building programmes such as assigning team tasks and rewarding team effort (Liebenberg and Barnes, 2004: 8; Terblanche and Boshoff, 2004: 29).

The current centralised nature of many organisations makes it difficult for lower level and middle level managers to make certain important operational decisions; often these lower level managers are just there to implement decisions made by the higher level managers (WASA 2005: 16; Kaplan and Norton, 2004: 60). The above management style reduces the productivity of both the workforce and equipment, thus making it difficult for the organisation to meet its customers' demand.

To redress the situation, it is important for higher level managers to delegate some of their authority and responsibilities to lower level managers. This delegation of authority should also be expected from the district managers so that they are able to make responsible decisions. This should boost employee morale and the organisation's productivity (WASA, 2005: 16).

3.4 CONCLUSION

Customers are different and they need different things from the organisation. Therefore customers expect to be treated differently. The organisation needs to understand clearly the different needs, wants and expectations of customers. It will also be important to focus on the quality of the products and services offered to keep customers satisfied.

Owing to the changing needs and expectations of customers, the organisation must measure the level of service given to customers regularly and in a different ways, in order to monitor any changes in customer perceptions and attitudes towards the organisation.

The provided information by customers can affect a wide variety of internal and external organisational touch points. (These are areas in the organisation where customers' data can be gathered and used to guide and direct the management in their decision making).

The organisation should show interest in solving customers' problems and be willing to handle complaints because when the customer complains to the organisation, the customer is presenting the organisation with an opportunity to collaborate in solving those problems. Therefore it should be easy for customers to lay lodge complaints.

The next chapter (chapter 4) will cover the role of relationship marketing in CRM, the nature of relationship marketing, characteristics of relationship marketing, the role of problem solving and decision making in relationship marketing, and customer service as part of RM.

CHAPTER 4

THE ROLE OF RELATIONSHIP MARKETING (RM) IN CRM

4.1 INTRODUCTION

The main objective of CRM is to maximise profitability and to maintain the relationship between the organisation and the customers in the long term. It is therefore recognised that RM is central to this objective because of its role in defining customer needs and wants, and directing the resources of the business to meet these needs (Trim and Lee, 2005: 5).

4.2 THE NATURE OF RELATIONSHIP MARKETING

Relationship marketing is the process by which marketing management builds long-term relationships with its customers, for the purpose of increasing the profitability of the organisation by formulating and implementing the marketing strategy, as well as maintaining the relationship between the organisation and its customers (Christopher, et al., 2002: 2; Egan, 2001: 23; Trim, et al., 2005: 5).

CRM has come to mean many things in the organisation of which RM is one of the key contributing factor; for many reasons RM supports the term CRM the most in the organisation's strategies and goals (Coad, 2006: 324). RM in every organisation has a strong influence on the organisational performance and customer satisfaction. If the customers are satisfied with the products/services offered by the organisation, new sales of the product/service will be created, which will also lead to the organisation's profitability and long term customers. RM also helps in creating creative, innovative, skilled and developed employees (Rozell, et al., 2004: 407-409).

The quality of the organisation is dependent on its marketing strategies, therefore marketing managers should focus on RM because:

- ❖ RM focuses on the quality of the products and services, by providing training to salespeople based on product knowledge, team-building, teamwork as well as how to build long-term relationship with customers. Terblanche and Boshoff, (2004: 29) concur by stating that productivity should be increased through training and development, and by establishing appropriate post levels to help employees to be more friendly to customers.
- ❖ RM focuses on customer information systems and methods of maintaining the relationship between the organisation and its customers. In other words, RM tests the satisfaction level and loyalty of customers, by carrying out periodic customer surveys to identify customers' needs and concerns, and to design strategies to address those needs and concerns.
- ❖ RM focuses on developing marketing behaviour towards customers as well as understanding customer's behaviour (Christopher, et al., 2002: 106).
- ❖ RM is required to develop innovative solutions to difficult problems in the organisation and to developing new methods in the organisation; it is responsible for mapping out the organisation's future opportunities and threats, as well as assisting with the strategic management development (Terblanche and Boshoff, 2004: 29).
- ❖ RM challenges and prepares employees to be prepared and ready to handle all types of customers. It helps to evaluate the organisation's performance and to make future decisions about a wide range of problems. It also assists in reducing the number of customer queries/complaints.
- ❖ RM is required in organisations to manage employees' conflict and stress.

Yu, (2005: 5), Sheth and Mittal, (2004: 12) also assert that satisfying customers nowadays is one of the most important goals for many organisations. In other words marketing management encompasses a shrewd mperception of human nature and should know how to satisfy customers because, as indicated before,

customers are becoming harder to please. Furthermore, customers are becoming more informed and often more demanding than in the past.

In addition to the above mentioned customers are more sensitive about what they pay for products or services in exchange, than in the past. If customers feel that they are receiving low quality, less value or poor services, they feel they can no longer trust the organisation (Antreas and Athanassapoules, 2003: 1).

Effective RM should therefore consider a sale as the beginning of an ongoing relationship between the organisation and its customers, not as the end of the process. RM should strive to focus on solidifying relationships and transforming customers into loyal advocates (Ryals, 2005: 6; Trim and Lee, 2005: 5). Lamb, et al., (2004: 642) Garth, (2005: 44) and Devi, (2003: 1) agree that RM should manage the entire customer relationship systematically.

There is a need for every organisation to concentrate on RM because the profitability and sales of the organisation depend on the existing and committed RM, as well as on the existing customers (Egan, 2001: 23; Boshoff and Gray, 2004: 28; Van Rensburg and Venter, 2005: 46). Furthermore, focusing on RM may help to maintain the customer base and increase customer service (Terblanche, 2006: 32; Fitzgibbon and White, 2005: 218; Hawkins, et al., 2004: 12).

4.3 CHARACTERISTICS OF RELATIONSHIP MARKETING

Several characteristics such as establishing relationships within the organisation, establishing and managing communication with customers, as well as acquiring and capturing customer data, are to be considered by the marketing management when implementing CRM.

4.3.1 Establishing relationships between the employees and customers

Organisations that implements CRM and TQM consider customer satisfaction as their primary goal. A satisfaction system is an internal management function and must also reflect the philosophy of the society in which the organisation operates.

Based on the above paragraph, the organisation must first of all understand that selling the products/services does not depend on employees (salespeople) only, but also on the customer's decision to buy the product or service. In other words, an organisation may think that it produces quality services for its customers, but what the customers think may not be the same as what the organisation thinks. What the customers perceive, defines service either as good quality or poor quality (Lamb, et al., 2004: 123).

4.3.2 Establishing and managing communication with customers

Communication between the organisation and customers has been and still is the foundation on which the RM is built. Only through effective communication the organisation can learn about its customer's needs, wants and expectations. Only through effective communication the organisation is able to generate new ideas and manage customers' information, based on the knowledge that they received from the customers. This can also build long-term relationship with customers (Eisingerich and Bell, 2006: 89; Terblanche and Boshoff, 2006: 40).

4.3.3 Acquiring and capturing customer data

Various ways, namely complaint and suggestion systems, customer satisfaction surveys and ghost shopping should be used by the organisation to collect data from customers, but the organisation should first of all understand what types of data should be collected from customers. The data collected from customers should define customer needs, wants, expectations, services, products, as well as the suggestions on products/services. The collected data from customers should be used to maintain a long-term relationship with customers (Kotler, 2003: 205).

Table 4.1 below captures some of the methods that could be used by marketing managers to track customer data.

TABLE 4.1: METHODS THAT COULD BE USED TO TRACK CUSTOMER DATA

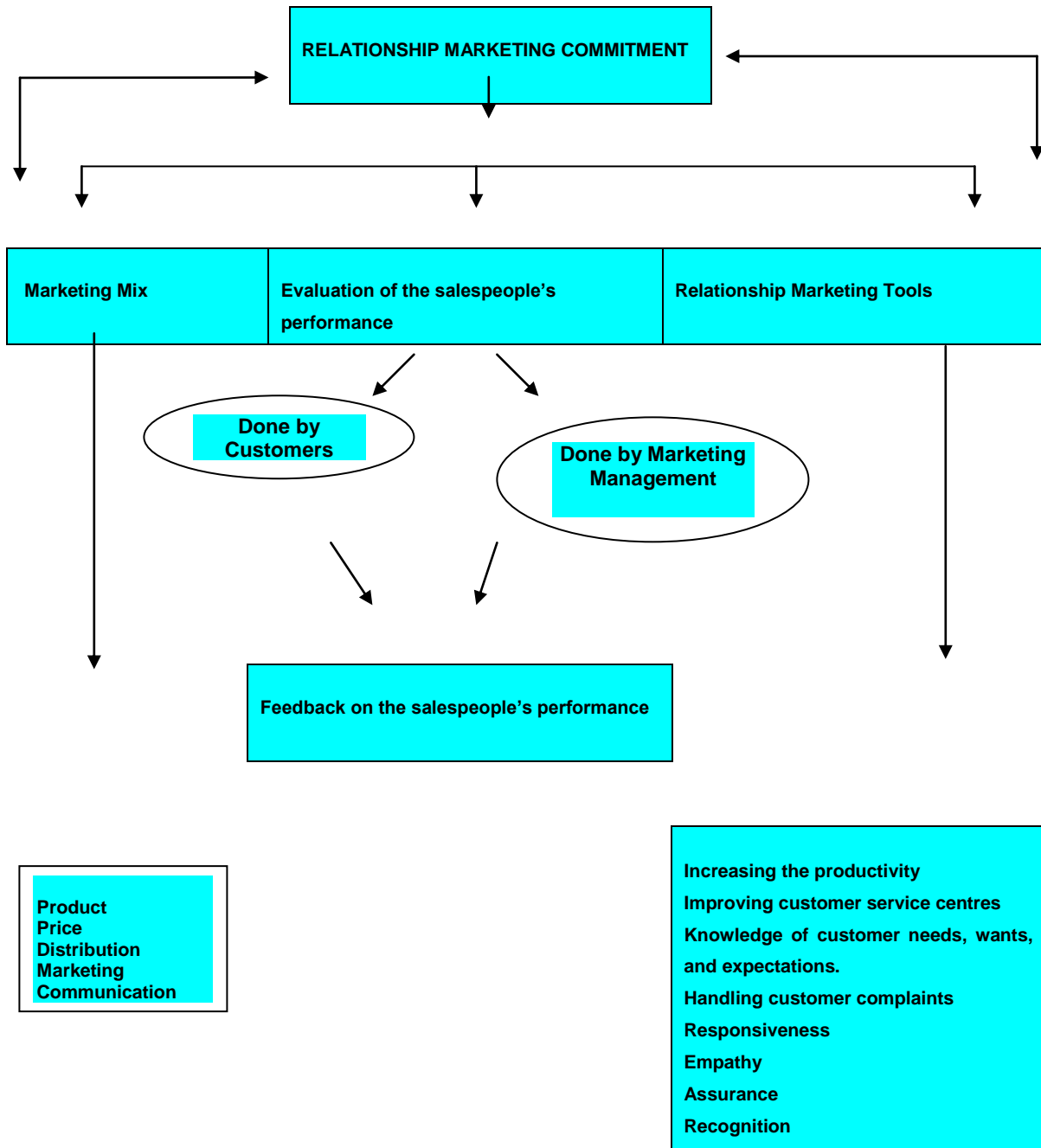
Complaint and suggestion systems	Organisations could make it easy for customers to lodge their complaints and to express their suggestions. Toll free numbers, web sites and e mail could be used to serve this purpose.
Customer satisfaction survey	Most customers do not complain if not satisfied with the products or services. Less than five percent of customers complain. Therefore regular customer satisfaction surveys are needed to measure the satisfaction of customers. Questions to measure the satisfaction could include the product/service performance, organisational performance, the price and the perceived value.
Mystery shoppers	The organisation should hire people to pose as potential buyers to their customers and who would be able to report on the strong points experienced in buying the products/services. This could also be important for the organisation to test how its sales personnel handle various situations with their customers. Phone calls could also be used to test and evaluate how calls are handled by the sales personnel.

Source: (Kotler, 2003: 205)

4.4 FACTORS THAT INFLUENCE RELATIONSHIP MARKETING

Three main factors which may influence RM are the marketing mix (products, price, distribution and marketing communication), evaluation of salespeople's performance (which may be done by customers or by marketing management) and relationship marketing tools namely; increasing productivity, improving customer service centres, knowledge of customer needs, wants and expectations, responsiveness, empathy, assurance and recognition. The aforementioned are indicated in figure 4.1 below and will be discussed accordingly.

FIGURE 4.1: RELATIONSHIP MARKETING MODEL



Own Model

4.4.1 Marketing Mix

Marketing Mix contribute to RM management through four elements (Price, Product, Distribution and Marketing Communication), which represent the nature and roles of the marketing system in the organisation (Badenhorst, et al., 2003: 307). The aim of the Marketing Mix is to outline the responsibility of RM in the organisation towards customers. When effectively implemented the marketing mix forms the marketing strategy that can help provide satisfactory products and services (Kotler, et al., 2003: 9 – 10). The four elements of the marketing mix as indicated above will be discussed below:

4.4.1.1 Price

Price is what the customers pay to receive a bundle of benefits in exchange (Badenhorst, et al., 2003: 320; Terblanche and Boshoff, 2004: 41). Customers are charged for products and service in order to generate profit, and to allow the organisation to be able to manage, maintain and replace its services (Mithas, et al., 2005: 202; Choi, et al., 2004:914).

If the price of the product/service is too high, and the benefits received from the product/services are too few, according to customer expectations, RM could be affected negatively. This is because customers will decide not to buy the product/service from the organisation again.

It is also stated in paragraph 4.6.1.4 p. 107, that a positive relationship between the quality of the products/services and the price paid by the customers, could lead to customer satisfaction, which may result in customer loyalty and retention (Terblanche, 2006: 35; Terblanche and Boshoff, 2006: 40).

4.4.1.2 Distribution

Distribution means moving the products and services from the organisation closer to the customers, for the purpose of customer satisfaction; in other words, meeting or exceeding the customer's expectations from the products or services

(Badenhorst, et al., 2003: 309). If customers do not get the product/service in time, customers may switch to other organisations where they can get the product/service in time. In this case RM fails to meet its primary goal, which is satisfying customers.

4.4.1.3 Products

Products are activities, benefits and satisfaction which are offered by the organisation to its customers for the purpose of sales and meeting the needs/wants of the customer (Kloppers, et al., 2006: 35). If the product/service do not meet customer expectations, RM will be affected in a negative way because customers will not buy from the organisation again. Customers who are not satisfied and who complain about the performance of the product/services will have a negative perception about the product/service (cf. paragraph 3.2.2 p. 64).

4.4.1.4 Marketing Communication

Marketing communication is the function that consists of the transmitting of information and messages between the organisation and the customers, for the purpose of increasing the product/service awareness and the organisation's profitability (Deon and Karin, 2005: 130; Badenhorst, et al., 2003: 329).

Kloppers, et al., (2006: 56) concur that "marketing communication is the process of informing, persuading and reminding consumers, and it comprises five elements: advertising, personal selling, sales promotion, publicity and public relations. Selecting the right combination of methods presents a challenge to the marketing department because as circumstances change, the whole combination must change as well. Not only does the composition of the marketing communication methods change, but so do the messages and the different techniques and media use."

Kloppers, at al., (2006: 56) also posit that a " ... marketing communication campaign should be carefully planned, implemented and evaluated in order to

ensure effective communication with consumers. In order to communicate effectively, companies should be aware of the whole process of communication ...”

According to Deon and Karin (2005: 122 and 127), the following aspects are important in marketing communication:

- ❖ marketing communication enhances the product image;
- ❖ marketing communication maintains and improves the customer’s satisfaction and loyalty;
- ❖ marketing communication increases the products/service awareness;
- ❖ marketing communication influences the customer’s buying behaviours;
- ❖ marketing communication represents the voice of the organisation to the customers.

The above mentioned characteristics if implemented in the right way can have a positive impact on RM, but if implemented in the wrong way they can have a negative impact on RM, which may also affect CRM negatively.

4.4.2 Evaluation of the salespeople’s performance

Today there are more salespeople in organisations than in the past. Salespeople are the most precious human resources in any organisation nowadays. This being the case, good quality service is therefore fundamental to every salesperson in an organisation. The success of the organisation depends on salespeople’s performance (Anonymous, 2004: 2 – 3).

In addition, Cromb (2005: 1) and Susskind, et al., (2003: 180) posit that salespeople have a positive effect on the economic growth of an organisation and mostly have a positive effect on influencing the customers to buy the organisation’s products/services. If salespeople are not well trained, motivated and

empowered, their performance as well as the organisation's performance will decline.

As Badenhorst, et al., (2003: 197) and Erwee (2002:00) argue, the problems facing salespeople include, among others, poor salaries, inadequate training or workshops, poor or lack of communication, etcetera. Moreover, inadequacy of sales facilities and poor infrastructure are also contributing factors that may affect the performance of salespeople in a negative way.

Griffin (2002: 69) and Pettijohn, et al., (2007:76) concur that many organisations in the past focus only on sales, but lately things have changed; organisations are more focused on building and maintaining a long-term relationship with its customers. Salespeople are responsible for interacting with customers on a daily basis, which is why they need to be well trained, motivated and empowered in order for them to be able to keep customers not only satisfied but loyal to the organisation as well. Griffin (2002: 69) further states that "... the economy has shifted from being goods driven to one that is service driven ..."

4.4.2.1 The importance of the salespeople's jobs

Some of the striking principles according to Bandy (2003: 8) and Susskind, et al. (2003: 180) are as follows:

- ❖ salespeople are responsible for the implementation of marketing strategies on a daily basis;
- ❖ salespeople are the ones who interact with a large number of customers daily
- ❖ salespeople are expected to develop innovative solutions to different problems of customers;
- ❖ salespeople deal with conflict and stress either internally or externally, on a daily basis;
- ❖ salespeople are the face and the mouth of their organisation to customers;
- ❖ salespeople represent the customers in their organisation;

- ❖ salespeople are responsible for generating sales and organisational profit.

4.4.2.2 Importance of evaluating salespeople's performance

As Badenhorst, et al., (2003: 211) posit one of the important roles in RM is to evaluate the salespeople's performance. By evaluating the salespeople's performance, marketing managers are able to compare performance results of the salespeople with the managers' objectives, goals and targets. The latter will indicate whether the performance is in line with the objectives, goals and targets. Badenhost, et al., (2003:48), further indicate that the major purpose of evaluating the salespeople's performance is to determine what happened in the past and to use that information to improve salespeople's performance in the future.

Effective procedures for evaluating salespeople's performance should be included in the strategic plan. This strategic plan can also help management to increase the salespeople's morale by rewarding the salesperson whose performance meets the sales targets (Badenhorst, et al., 2003: 211 – 212; Kotler, et al., 2003: 7).

In addition, as stated by Hellriegel, et al., (2004: 291), evaluating salespeople's performance is not only important in helping management, but also important in helping salespeople to discover their own strengths and weaknesses. If the results are good or high, salespeople know that their performance was good but if the results are poor, they also know that something is wrong and needs special attention. The main problem with salespeople is that, they may not be able to determine the causes or reasons for these poor results on their own. Salespeople will need a helping hand from management to determine the cause of the poor performance, either by evaluating customer feedback, or feedback from other salespeople.

Based on the information above, evaluation must be considered important because it serves four purposes; *firstly*, it recognises the salespeople's performance; *secondly*, it helps in rewarding salespeople for a job well done;

thirdly, it helps in developing a clear understanding of salespeople's achievements in order to improve customer service; and *lastly*, it helps both management and salespeople to implement corrective actions (Hellriegel, et al., 2004: 249).

The evaluation of salespeople's performance from the salespeople's point of view only helps if the evaluation is fair and clear to themselves. It is therefore marketing management's responsibility to communicate the principles on which the salespeople will be evaluated. Clearly salespeople should be involved in setting objectives and goals, because the salespeople's contribution in the process motivates and builds the salespeople's satisfaction, and that will also lead to higher satisfaction in business dealings (Hellriegel, et al., 2004: 249).

4.4.2.3 Evaluation of salespeople's performance by customers

Customers in many ways as indicated can also be used as the main source of evaluating salespeople's performance by giving information to the organisation (Gouws, et.al., 2006: 285; Pettijohn, at al., 2007: 76).

Customers can give the information about salespeople's performance in one or two ways; *firstly* by conducting customer satisfaction survey measures and *secondly*, by making it easy for the customers to lay their complaints on a daily basis and offering their ideas concerning the products/services provided. Customers may be asked questions such as:

- ❖ How would you rate the reliability of the organisation's products/services?
- ❖ Does this company provide you with good quality and high value products/services?
- ❖ In your experience with this organisation, are employees friendly and helpful to customers?
- ❖ Do employees respond to customer queries quickly?

Based on the above questions, customers on the one hand can be good at evaluating salespeople's performance by answering such questions; on the other hand customers may render inaccurate information on salespeople's performance in an attempt to protect the ones that they like, which may impact negatively on evaluation results.

4.4.2.4 Evaluation of the salespeople's performance by marketing managers

Sometimes salespeople's performance may reveal bad results from management's point of view. The evaluation of the salespeople's performance is a sensitive issue especially in cases where salespeople perform below expectations. It becomes more difficult when management has to face the salespeople who have performed below management expectations or targets. Sometimes the cause of poor performance is because management's communication with employees was not clear in guiding salespeople regarding what they are expected to do or to achieve (Robbins, et al., 2004: 365).

Often management fail to explain the goals or targets of the evaluation process to the salespeople clearly. They only explain the objectives and goals to the salespeople after the evaluation has been completed, especially if the outputs are bad. This gives salespeople the tendency to defend themselves. In other words, salespeople do not like to be criticised by the management, when management know quite well that there was not enough explanation concerning the goals and objective beforehand. Sometimes salespeople become defensive, even when they know that they are wrong, and because of this, management hesitate to evaluate the salespeople's performance only; management fear that the results of the evaluation could injure the relationship between management and salespeople, and also affect salespeople's morale (Robbins, et al., 2004: 365).

Based on the above paragraph, Robbins, et al., (2004: 366), stress that in the evaluation process, it is essential for management to keep in mind what is

important/not important for the business, not for themselves. It is not a matter of who criticise who, but a matter of doing the right thing for the business.

The results of improper evaluation cannot only affect the salespeople's performance, but also the entire organisation could be faced with serious problems. Therefore management should not hesitate in giving their ratings to the salespeople, whether bad or good, as long as the ratings are clear and fair to the salespeople. Salespeople who perform badly deserve to be given poor ratings in order for them to improve or take good direction like the other salespeople who performed well. Even salespeople who performed well have the right to know why they did so, so that they able to keep up the good work, as well as maintain their ability and willingness to achieve the organisation's future goals and objectives (Robbins, et al., 2004: 366).

4.4.3 Relationship marketing tools

As indicated in figure 4.1 p. 86 there are several relationship marketing tools which may affect RM management, and which are discussed below:

4.4.3.1 Increasing productivity

Increasing productivity refers to increasing efficiency, which means using resources (capital and human resources) more efficiently. One of the important issues that the organisation should ensure is the reduction of costs. To many this means increasing productivity which can also improve the sustainability of the organisation. Productivity should be increased through training and development to establish appropriate employee skills (Terblanche and Boshoff, 2004: 29).

4.4.3.2 Improving customer service centres

Improvements to facilities should be made on a continuous basis so that customers can be served in an attractive and comfortable way. Information from customers should be used to increase the efficiency of service centres in a customised way. Customer information should also be considered to increase these service centres in a customised way, which many organisations fail to do. Statistics show that there is little indication that organisations provide customised products (Jayachandran, et al., 2004: 220; Terblanche, 2006: 35). Matters relating to product failure, which include complaints about the employees' attitude towards customers and complaints about products and services, should be dealt with in these service centres.

4.4.3.3 Handling customers' complaints

Complaints provide an important measure of customer satisfaction and customer services. However complaints can demoralise employees, if they appear to be the sole yardstick of outcomes. Based on the information above, it is very rare for customers to communicate with the organisation, and when they do, it is almost always a complaint (Parasuraman, et al., 2005: 216).

The above means that the majority of customers who complain to employees complain about the perceived performance or problems with the products/services. Terblanche and Boshoff (2004: 76) reiterate that ninety six percent of dissatisfied customers do not complain, therefore the best thing the organisation can do is to make it easy for customers to complain. When the customer complains, he/she is presenting the organisation with an opportunity to collaborate in customer service and solve a problem. To add to the view of Terblanche and Boshoff (2004: 76) customers who have complained to the organisation and their complaints were satisfactorily solved, tell an average of five people about the good treatment they receive. If the organisation is ready for this, for example, if the employees are well trained to handle the complaints, the organisation can earn not only the customer's loyalty, but also the loyalty of every friend, colleague or relative he/she

recommends to the organisation, instead of complaining to them about the organisation (Russ-Eft, 2004:222; Mathews and Lawley, 2006: 1)

Most customers who complain expect tangible results (Boshoff and Gray, 2004: 31). Tangible results could be the perceptions of the cleanliness of the organisation, the neatness of the building and employees, and the employees' attitude to customers. Failure to deal effectively with these customer expectations may lead to an increased number of unsatisfied customers.

Complaints about the products/services provided by the organisation frequently go to the employees and are not passed on to management. Graham (2004:10) indicates that more than 80 percent of complaints are presented directly to the employees (salespeople and labour), while less than 10 percent are presented directly to management; one may add that this is why management should train employees and offer them all the support to be able to handle complaints.

The organisation overcomes complaints by establishing and promoting information technology (IT), which are consumer hot lines and include a website address. The idea of the organisation to establish and promote a consumer hot line and website address should be able to solve the cause of customers' complaints as quickly as possible, rather than just allowing customers the opportunity to complain. In other words, it makes it easier and faster for employees to respond to complaints (Ray, et.al., 2005: 626; Napoleon and Gaimon, 2004: 246; Welsh, 2007: 17).

IT literature can be helpful to the organisation in building customer value. In addition, as Piccoli, et al., (2004: 425) have stated, an organisation can build and improve customer satisfaction and customer value through IT customer services. Websites are easily accessible, affordable and may help to build as well as maintain the positive relationships between organisation and its customers.

According to Piccoli, et al., (2004: 427), a web site can be used to obtain information from customers by means of research. It can also be used to give customers information about products/services, and about the organisation. A website can help an organisation to evaluate its performance, growth and reliability, and also be knowledgeable about the satisfaction or dissatisfaction of the customers, customer perceptions and attitudes.

Jayachandran, et al., (2005: 177) and Ray et al., (2005: 4 – 7) agree with the above authors by stating that IT provides the organisation with new technology-based solutions which involve CRM technology that can be used to manage customer relationships and to establish long-term relationships with customers. CRM technology can also be helpful for academic research purposes with information concerning the market, orientation and the organisation.

In addition to the above paragraphs, according to WASA (2005: 40), Management Information Systems (MIS) and Information and Communication Technology (ICT) resources also play a critical role in the modern organisation by enhancing efficiency. For productivity to improve, it is important to communicate effectively and to manage information properly. These will only be possible if the necessary infrastructures are in place (Comb, 2004: 4; Winer, 2001: 18).

As Ray, et al., (2005: 8 – 10) posit, during the plan period an organisation should ensure that there is an adequate ICT and IT infrastructure to facilitate smooth communication, and an adequate MIS infrastructure to strengthen information management. With a poor infrastructure, productivity would decrease considerably (Comb, 2004: 4). Productivity can be increased by continuous training, development and establishment of an appropriate IT system for employees (Ramirez, et.al., 2004: 106).

Customer's hot lines should be available to customers who have complaints or problems (Reinartz, et al., 2005: 65). Also, website addresses should be

designed to focus on complaints, problems and suggestions, rather than retention and servicing alone. A caring organisation should start to serve customers more effectively throughout the duration of relationships to maintain trust (Ray, et al. 2005: 626).

The idea of a customer hot line and a web-site address could help unsatisfied customers to have direct access to the organisation, and to register complaints and problems immediately. Thus employees would be able to help unsatisfied customers more readily. Customers' hot line and web-site address could neutralise negative feelings and create a positive reaction between employees and customers (Reinartz, et al., 2005: 65; Witepski, 2006: 51).

Websites can be used as a channel for transferring information from the organisation to the customer, and from the customer to the organisation (Piccoli, et al., 2004: 424; Winer 2001: 18-19). Websites represent the most visible instance of a network-based customer system, which is defined as "a network-based computerised information system that delivers service to the customer either directly or indirectly". Table 4.2 below explains some of the functionalities of website.

TABLE 4.2 FUNCTIONALITY OF WEB-SITES

Customer needs	Need description
General Information	
Knowledge of the organisation	There is a need for the customers to know and learn about their organisation's background.
Knowledge of service	There is a need for the customers to learn about the organisation's products and services.
Organisation contact knowledge	There must be numerous channels in the organisation to be used by customers, to be able to address their problems and ideas about products or services. Channels may include web sites address, free telephone lines, and many others.
Organisation's performance	There is a need for the organisation to know whether the organisation performed as expected or as promised to customers. This may provide the organisation with up-to-date information in order to offer customised products/services.
Transacting, billing and payments.	This can also help the customers to order products or services online, while dealing with other office matters.

Source: (Piccoli, et al., 2004: 428).

4.4.3.4 Knowledge of customer needs, wants and expectations

Improved communication between customers and the organisation must be implemented through meetings, workshops and the use of customer surveys. Through improved communication, customer needs and wants could be satisfied and their expectations could be met (Jayachandran, et al., 2004: 220; Terblanche, 2006: 35). Innovation and new methods of providing service should also be continued for explanation and adoption (Terblanche and Boshoff, 2004: 29). Targets and deadlines in response to customer queries should also be established, met and be monitored at all the times.

4.4.3.5 Responsiveness

It must be easy for the customers to lodge their complaints. This is also known as the responsiveness of the organisation. In other words, customers should feel free to communicate with the organisation (Ziglar and Hayes, 2001: 302). The organisation should also inform the customers about the service delivery. In addition the organisation should also be ready to respond to customer requests, and employees should be trained to respond.

4.4.3.6 Empathy

Customers are different and, as such need different things from the organisation. Moreover, customers expect to be treated in different ways. Customers should be the most important focus point of employees, who should also understand the different needs of customers, and that customers should be attended to in different ways (Ziglar and Hayes, 2001: 302).

4.4.3.7 Assurance

Customers need to be assured that the organisation will always have the products/services available when they need them, and that the products/services performance will be as promised. Employees should be well trained to answer customers' questions and to instil confidence in customers (Ziglar and Hayes, 2001: 301).

4.4.3.8 Recognition

An organisation should recognise that customers are the most important assets of the business. It is therefore important to improve the quality of the products/services offered to the customers, in order to keep customers satisfied, loyal and committed to the organisation. To be able to do this, it is important to measure the level of service given to customers regularly and in different ways. This implies monitoring any changes in customers' attitudes and perceptions of the organisation, and its products/services offered (Gouws, et al., 2006: 28).

4.5 THE ROLE OF PROBLEM SOLVING AND DECISION MAKING IN RELATIONSHIP MARKETING

In order to implement effective decision making, marketing management have to understand their role and their activities in the daily running of their organisation. Several factors, such as interdependence between problem solving and decision

making, definition of the problem and definition of decision making, need to be considered by marketing management. These factors are discussed below:

4.5.1 Interdependence between problem solving and decision making

The goal of problem solving and decision making should be compiled by marketing management to help them find ways to help employees to solve customers' problems. By solving customers' problems, the relationship between customers and the organisation will be improved and maintained, which in turn improve and have a positive influence on RM. The following aspects should be considered in problem solving and decision making:

- ❖ An organisation should be willing to handle complaints. Customers should be allowed to complain if they are not satisfied with the product's performance as promised by the organisation (Terentis, et al., 2002: 2; Terblanche and Boshoff, 2004:41).
- ❖ When customers have problems with an organisation, the organisation should show an interest in solving these problems. That is why it is important for employees to be trained to be able to turn negative interactions into a positive experience (Williford, 2005: 52).
- ❖ Information on complaints should be kept safely for future reference (Terentis, et al., 2002: 2).
- ❖ Corrective action should be implemented immediately after customers' have lodged their complaints. The more the organisation shows commitment to problem solving, the more forgiving the customer becomes regarding disappointing problems or experience of complaints.

4.5.2 Problem definition

Before a problem can be defined the cause of the problem has to be investigated (Kritzinger and Mona, 2000: 359). Table 4.3 indicate the questions to be asked when investigating the cause of a problem:

TABLE 4.3 DEFINITION OF A PROBLEM

Identify	What are the key elements of the problem? People involved? Factors that contribute to the problem?
Location	Where is the problem? The origin, source and results?
Timing	How important is the problem? How much time is available for making a quality decision?
Magnitude	How large is the problem? How many people are affected? The cost of the problem?

Source: (Kritzinger and Mona, 2000: 359)

4.5.3 Definition of decision making

Decision making is the commitment to a specific alternative solution. The decision making process may help marketing management to generate the best decision needed by the organisation, in order to solve the existing problems. Several steps (identifying the problem or opportunity, defining the problem by investigating it, formulating in writing, developing alternative decisions, deciding on a solution, implementing the decision, and evaluating the implemented decision), should be followed by marketing management when planning the decision making process (Kritzinger and Mona, 2000: 358).

4.5.4 Factors that may influence decision making

Two factors which may influence the decision making process are talking to customers face to face and talking to customers telephonically. As such, employees need to be trained for both face to face and telephone interaction with customers. In addition to the above mentioned, according to Ziglar and Hayes (2001:301), Nunes and Dreze (2006: 131) and Erwee (2002: 24), the following aspects may influence decision making, either face to face or telephonically:

- ❖ reasoning and interaction;
- ❖ understanding the complaint fully;
- ❖ employees should try to reach agreement on specific future action;

- ❖ employees should openly present their position to their customers, employees must try to take action immediately;
- ❖ employees should follow up on agreed action;
- ❖ employees should thank customers for bringing the complaint to their attention.

Laura, et al., (2005: 15) add that employees working with customers telephonically should be trained on how to communicate with customers, and how to respond to customers. In other words, the employee voice is very important.

4.6 CUSTOMER SERVICE AS PART OF RM

Customer services are the activities, benefits or satisfaction that are offered by the organisation for a sale to customers, or provided in connection with the sale of products or services. Customer service is one of the most important tools to be considered when implementing CRM strategies because today's customers may be tomorrow's customers only if they are satisfied with the products/services (Algel, et al., 2002: 468). Satisfied customers might also turn out to be the organisations' customers for life. Customers for life are the drivers of survival and growth in every organisation. In addition, the organisation's growth and future performance depend on satisfied customers (Mithas, et al., 2005: 202; Choi, et al., 2004: 914).

To satisfy customers is not only a luxury to the customer, but the key to the organisation's success. Satisfied customers might not be easily lured away by competitors, but instead bring more business to the organisation. In other words, satisfied customers are most organisations' valuable assets, but do not stand to benefit financially from recommending the organisation to others (Mada, 2005: 305; Van Rensburg and Venter, 2005: 46).

All contact customers make with the organisation, either satisfied or not satisfied, is a customer service and has to be highly rated by the organisation. The contact with the organisation can be about the products/services failure where customers perceived or experienced poor service and poor support from the service provider, or it could be poor employee attitude towards the customers (Mithas, et al., 2005: 202).

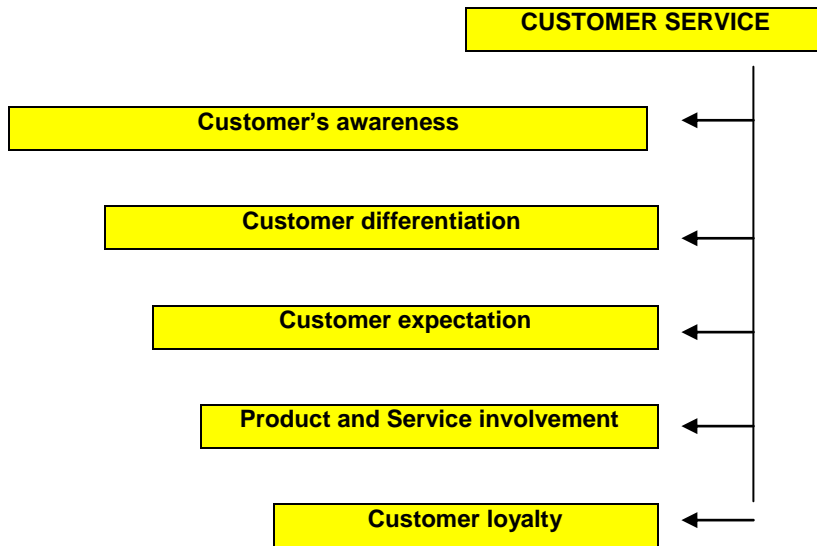
Gouws, et al., (2006: 288), Bandy, (2003: 7), McManus, (2007: 20) assert that services represent both consumption and investment. On one hand service is valued for its immediate benefits, but on the other hand services help to create income in the future by providing employees with skills and knowledge that could enable them to increase their productive capacities and thus receive higher earnings (profits).

To make a clear distinction between consumption and investment as mentioned above, the following definitions may be adopted: *Investment* denotes those uses of current output which generate higher levels of output in the future. *Consumption* denotes those uses that have been exhausted in the present. In classical economics growth is maximised by investment and minimised by consumption. Service is clearly consumption because expenditures on service are made by customers, and customers can be used as another source of evaluating information on salespeople's performance. On the other hand job training is clearly an investment because it is expenditure incurred by the organisation to its employees (Gouws, et al., 2006: 288).

4.6.1 Factors that may affect customer service

The following factors that influence customer service are indicated in figure 4.2 p. 105 and will be discussed accordingly: Product and service awareness, customer differentiation, customer expectation, product and service involvement and customer loyalty:

FIGURE 4.2: CUSTOMER SERVICE MODEL



Own Model

4.6.1.1 Customer awareness

An organisation must have some kind of relationship with its customers, and make an impact on the customers' environment (community). An organisation has to make sure that, the organisation understands what the customers need or what their expectations and prioritises are. It is also about understanding the difference between customers, which is also known as customer differentiation (Fitzgibbon and White, 2005: 216).

What works in one district, would not necessarily work in another district, therefore the organisation cannot rely on a marketing team only as in the past. The manufacturing system, selling and distribution of products/services are crucially important to every piece of communication (Fitzgibbon and White, 2005: 216).

If the organisation interacts with customers on a continuous basis, the customers may indicate to the organisation exactly what they think about the products/services. Customers always want to know that they have made a difference, and they also want to take ownership of the products/services because

the products/services no longer belong to the marketers as in the past (Fitzgibbon and White, 2005 : 216).

4.6.1.2 Customer differentiation

Customers have different values than those of the organisation, and they need different support and service from the organisation. The key differentiation issues, in other words are what customers want and what their worth is. The value of a customer relative to another customer allows the organisation to prioritise its efforts, allocating more resources to ensure that the valuable customers remain satisfied, loyal and grow in value, while also catering to what a specific customer needs, which is the basis of creating a relationship and winning the customers' needs is the basis for creating a relationship and winning customer loyalty (Mithas, et la., 2005: 203; Terblanche, 2006: 35 and Johnson, et.al., 2006: 601)

4.6.1.3 Customer expectations

It is important for an organisation to know and clearly understand what customers' needs and expectations are, from the organisation's products/services. If the organisation fails to meet these needs and expectations, it could lead to customer dissatisfaction, and might affect the relationships between the organisation and its customers in a negative way (Terblanche, 2006: 35; Liu, 2005: 427).

If the products' performance appears not to be what customers expect from the products/services, customers become dissatisfied. But if the products/services performance match what the customers expect from the products/services, then the customers become satisfied. Also, if the products' performance is more than what the customers expect, then the customers can be highly satisfied (Auh and Johnson, 2005: 37; Wangenheim and Boyon, 2004: 212; Liu, 2005: 427).

The following could be considered in rating customer satisfaction on a scale from one to five, for example:

- 1) Not satisfied
- 2) Likely to be satisfied
- 3) Satisfied
- 4) Very satisfied
- 5) Completely satisfied

If the customers are not satisfied, customers are likely to leave the organisation and might talk unfavourably about the organisation to their families and friends (Strauss, et al. 2005: 232). In addition, Wangenheim and Bayon (2004:212) have found that customers who switch because of referrals by other customers are prone to give higher satisfaction ratings than other switchers. This demonstrates that satisfaction is influenced by customer experiences based on the products/services of their existing organisation and with other organisation as well.

The other different levels of satisfaction (likely to be satisfied, satisfied and very satisfied) indicate that customers are satisfied with the product/services, but there are no guarantees that customers will not leave the organisation and go to other service providers or competitors (Liu, 2005: 427).

Completely satisfied customers are less interested in competitors' offerings that may come along. Completely satisfied customers can talk favourably about an organisation to their families and friends (Mada, 2005: 305; Van Rensburg and Venter, 2005: 46). The emotional bonding between the organisation and the very satisfied customers can be strengthened and maintained (Chandrasekaran, et al. 2007: 156).

4.6.1.4 Product/service involvement

The quality of service and products is the key aspect that drives the customer to make choices. Service/product quality means the difference between what the customer expects from the service/product and what the customer perceives from

the service (Kotler, et al., 2003: 18). These choices determine how worthy the value of the products/services perceived are, and how much the customer is prepared to pay for this value. Customers have different choices and also perceive values in different ways (Mithas, et al., 2005: 203; Johnson, et al., 2006: 601)

The question here is whether the quality of products/services match the price paid by the customer, in the customer's point of view? If there is a positive relationship between the quality of the products/services and the price paid by the customer, this could lead to customer satisfaction which may results in customer loyalty and retention (Terblanche, 2006: 35; Terblanche and Boshoff, 2004: 40).

Failing to provide what the customers expect from the quality of the products/services and support, may lead to customer dissatisfaction, which could lead to customer complaints. In general this indicates the total individual's experience about the products/services and even the organisation's performance (Terblanche and Boshoff, 2004: 28; Eisingerich and Bell, 2006: 91).

4.6.1.5 Customer loyalty

Customer loyalty is the outcome of effective CRM applications. A relationship with a customer is just like a relationship with a spouse. This relationship must be built on aspects such as trust, privacy, protection, emotional support and tolerance of other relationships. The most important aspect of this relationship is that it is an individual relationship between two people. Every relationship with a customer is different because every customer has different needs and wants (Johnson, et al., 2006: 601; Bellizzi and Bristol, 2004: 144; Haeberle, 2004: 12A).

According to Mada (2005: 305) the following aspects on emotional support should be considered as important, as building customer loyalty:

- ❖ employees must never be too busy to respond to customers;

- ❖ customers must not feel neglected by employees;
- ❖ customers must be given individual attention;
- ❖ the customers are not satisfied with the products/services;
- ❖ employees must be trained on customers' services.

4.7 CONCLUSION

Through RM it is important for the organisation to measure the level of services given to customers regularly and in different ways, in order to monitor any changes which may arise in customer's perceptions and attitudes towards the organisation.

The provided information by customers can affect a wide variety of internal and external organisational touch points.

With contributions from RM and the implementation of CRM, organisation may find it easy to do a SWOT analysis (strengths, weaknesses, opportunities and threats) as these are the main focus areas of the marketing department. RM is responsible for the organisation's activities, such as training and motivating the salespeople, as well as evaluating the salespeople's performance.

The results of the empirical study will be discussed in the next chapter. The areas suggested for improvement will be indicated.

CHAPTER 5

RESULTS OF THE EMPIRICAL STUDY

5.1 INTRODUCTION

The data obtained from the completed questionnaires are discussed in this chapter. The results of the customer and employee questionnaires will be discussed separately with cross references where applicable.

A total number of one hundred and eighty-three respondents completed the questionnaires. Ninety three percent (171) were WASA's customers and six percent (12) were WASA's employees. The survey was conducted through personal interviews, whereby customers and employees were interviewed by the researcher and the field workers.

Each completed questionnaire was accompanied by a letter of introduction from the researcher, which explained the nature and purpose of the study, and encouraged respondents to respond.

The use of two questionnaires, one for the customers and one for the employees, were considered ideal for measuring customers' attitudes, perceptions, satisfaction and employees' attitude towards customers.

5.2 PURPOSE OF THE EMPIRICAL RESEARCH

As stated in chapter 1, the ultimate purpose of the research is to make a contribution for the improvement of service delivery by WASA to people in the urban areas in Maseru, Lesotho. Through this project the researcher endeavours to make a contribution regarding application of effective CRM strategies in WASA.

The primary objective of this research project is to determine if WASA implement and apply CRM strategies effectively and correctly. The secondary objectives of this project are as follows:

- ❖ Determination of customer satisfaction by WASA.
- ❖ Determination of employee satisfaction by WASA.
- ❖ Determination of customers' expectations from WASA.
- ❖ Determination of employees' expectations from WASA.
- ❖ Determination of whether WASA consider building customer loyalty.
- ❖ Determination of whether WASA consider building employee loyalty.
- ❖ Determination of quality customer service by WASA
- ❖ Determination of whether WASA consider the role of relationship marketing as an important tool when implementing and applying CRM strategies.

5.3 DETAILS OF THE RESPONDENTS

WASA's management and other employees were interviewed.

5.3.1 Job titles of employees that were interviewed

Respondents were asked to indicate their management positions or other positions in the different departments in WASA. Table 5.1 summarises the results.

TABLE 5.1 JOB TITLES

Job title	Frequency (n)	Respondents %
Credit control Accountants	2	18
Customer Care Supervisors	2	18
Corporate analyst	1	8
Financial Accounting Manager	1	8
Marketing Manager	1	8
Public Relations Manager	1	8
Assistant Accounting Manager	1	8
Store Manager	1	8
Human Resource Manager	1	8
Pre-paid Supervisor	1	8
Total	12	100

The mentioned respondents were interviewed because they are familiar with all the aspects of CRM, which implies that the selected respondents were suitably qualified to give an accurate indication of the use of CRM in WASA.

5.3.2 WASA's customers

The respondents were asked to indicate the type of product or service (s) they buy from WASA. The results in table 5.2 indicate that only customers who buy domestic water supply (100 percent) and (38 percent) of customers who pay for sewerage collection were interviewed.

Table 5.2 WASA'S CUSTOMERS

Responses	Percentages	Frequency
	%	(n)
Domestic water supply	100	171
Business water supply	0	0
Sewerage collection	38	65

n> 100: Respondents could indicate more than one

5.4 CUSTOMER RELATIONSHIP MANAGEMENT

The respondents (customers and employees) were asked to give their opinion on the development of close relationships with WASA's customers. The results are summarised in table 5.3, on the next page as follows:

TABLE 5.3 STRIVING TO DEVELOP CLOSE RELATIONSHIP WITH CUSTOMERS

Aspects	Never				Sometimes				Always			
	Cus		Emp		Cus		Emp		Cus		Emp	
	%	(n)	%	(n)	%	(n)	%	(n)	%	(n)	%	(n)
Effective communication between WASA and customers	2	3	0	0	70	120	75	9	28	48	25	3
Effective communication between WASA and employees	0	0	0	0	-	0	58	7	-	0	42	5
Effective communication between WASA and community	15	26	16	2	61	104	67	8	23	39	16	2
By communicating tariffs clearly and concisely with its customers	8	14	17	2	61	104	33	4	29	50	50	6
By communicating tariffs clearly and concisely with its employee	-	0	17	2	-	0	67	8	-	0	17	2
By executing research projects to establish the needs of potential customers	22	38	8	1	70	120	67	8	5	9	25	3
By customizing WASA's product /service based on what WASA knows about the customers needs	25	42	25	3	63	108	68	8	7	12	8	1
By creating solutions for the customer's problems	2	3	8	1	43	73	75	9	53	91	17	2
By creating solutions for the employee's problems.	-	0	0	0	-	0	83	10	-	0	17	2
By rewarding employees for good quality customer service	-	0	42	5	-	0	58	7	-	0	0	0
By linking the rewards for employees with customer centred behaviour	-	0	50	6	-	0	50	6	-	0	0	0
By conducting employee research concerning their morale, attitudes and perceived obstacles, to the provision of quality service	-	0	33	4	-	0	50	6	-	0	17	2
By empowering employees to make decisions in terms of the customers	-	0	8	1	-	0	58	58	-	0	25	3
By applying CRM to all customers	-	0	33	4	-	0	67	8	-	0	0	0
By interacting with customers as a fundamental step in practising CRM	-	0	16	2	-	0	67	8	-	0	8	1
By communicating the importance of employees' commitment and trust to their organisation	-	0	33	4	-	0	42	5	-	0	16	2
By communicating changes to customers in time concerning the product and services	9	15	8	1	64	109	75	9	25	43	17	3
By communicating changes to employees in time concerning the product and services	-	0	8	0	-	0	58	7	-	0	25	0
By improving the response to customer complaint(s)	4	7	-	0	36	62	-	0	60	103	-	0
By providing an accurate response to customers queries	2	3	-		40	68	-	0	56	96	-	0

Customers indicated that employees always or sometimes have effective communication with customers (70 + 28 percent). Employees also indicated that they always or sometimes have effective communication with customers (75 + 25 percent). Employees indicated again (58 + 42 percent) that WASA always or sometimes have effective communication with employees.

Both respondents (employees and customers) indicated that WASA communicate with the community (61 + 23 percent) of customers, and (67 + 16 percent) of employees indicated sometimes and always.

This reveals that WASA do communicate with their customers, employees and the community, even though it is not 100 percent because 15 percent of customers and 16 percent of employees indicated that WASA never communicated with the community.

Table 5.3 p. 113 reveals that 50 percent of employees indicated that WASA always communicate tariffs clearly and concisely to customers, only 29 percent of customers agreed with the above. Most of the customers (61 percent) indicated that WASA sometimes communicate tariffs clearly and concisely to its customers. The concern is that if WASA do not communicate their tariffs clearly and concisely to its customers, it may lead to customer dissatisfaction, which in turn may affect relationships between WASA and customers in a negative way.

Sixty-seven percent of employees indicated that WASA sometimes communicate tariffs clearly and concisely with its employees, while only a few (17 percent) indicated that WASA always communicate tariffs clearly and concisely to its employees. The concern is that if WASA do not always communicate tariffs clearly and concisely to its employees, which may cause low self esteem in employees. Employees may not be able to give answers based on the tariffs and they may not be able to communicate tariffs clearly and concisely to customers owing to the fact that they do not themselves understand the tariffs. This can lead

to customer dissatisfaction and may also affect the relationship between employees and customers in a negative way.

Table 5.3 p. 113 reveals that WASA execute research projects to establish the needs of potential customers. Customers (70 + 5 percent) and employees (67 + 25 percent) indicated always or sometimes. Twenty-five percent of employees indicated that WASA always execute research projects to establish the needs of potential customers. Almost the same percentage of customers (22 percent) disagreed. The concern here is that it is only through research projects that WASA can gain information from customers about the employees or about WASA. Customers can give the information about employee performance in one or two ways: *Firstly* by conducting a customer satisfaction survey, and *secondly* by making it easy for the customer to lodge their complaints on a daily basis and to give their ideas concerning the product/service provided.

It is indicated in table 5.3 p. 113 that WASA customise their product/services based on what they know about the customer needs. WASA conduct research projects, which help them to identify their customer's needs: (63 + 7 percent) of customers and (68 + 8 percent) of employees, clearly confirmed that WASA customise their product/services. Customising the product/services to individual needs may also help WASA to develop good relationships with their customers over a long period of time. Twenty-five percent of the respondents (employees and customers) agreed that WASA never customise their product/services based on what they know about customer needs. The concern is that if WASA do not customise the product/ services, WASA may face problems in future of not satisfying their customers. Customised product/services could build a strong and lasting relationship between WASA and customers.

Seventy-five percent of employees indicated that WASA sometimes create solutions for customers' problems. Fifty-three percent of customers indicated that WASA always create solutions for customers' problems. It is clear from the results

that there is a significant difference between *always* and *sometimes*. Employees think that WASA sometimes create solutions to customers' problems. Customers think that WASA always provide solutions to customers' problems.

Eighty-three percent of employees indicated that WASA sometimes create solutions for employees' problems. If the problems of employees are not always solved, employee dissatisfaction may arise. If employees are not satisfied, they will not strive to work hard to satisfy customers and they will not be fully committed to the entire organisation. Therefore WASA need to consider creating solutions for their employee problems, before WASA lose their customers owing to the fact that employees are not satisfied.

Employees play an important role in customer relationship management. For employees to become motivated and committed to satisfy customers, they need to be rewarded for good quality customer service. Even those who do not interact with customers directly need to be rewarded for good work. Fifty-eight percent of employees indicated that WASA sometimes reward employees for good quality customer service, but (42 percent) indicated that WASA never reward employees for good quality customer service. This is a concern because employees need to be rewarded so that they are motivated and committed to satisfy customers, and committed to the entire organisation.

It is clear that almost half of the respondents (employees) have never been rewarded for good quality work to customers. Fifty percent of the employees indicated that WASA do not link the rewards for employees with customer centred behaviour. If customers indicate that they are satisfied with certain employees, these employees need to be rewarded for good quality work. WASA could face serious problems in the future, as they do not consider rewarding employees for good quality customer service as important. Employees may leave WASA and find jobs where they can be rewarded for good quality work.

Even though 42 percent indicated that WASA never rewarded employees and 50 percent indicated that WASA do not link rewards with customer centred behaviour, the results indicated that WASA at least empower its employees to make decisions in favour of the customers (58 + 25 percent) of employees indicated always and sometimes. This shows that WASA encourage their employees to exercise initiative and imagination regarding the delivery of good quality customer service. But empowerment goes hand in hand with rewarding; these two cannot be separated if WASA want to provide excellent service to their customers.

The employees indicated that WASA always or sometimes (50 + 17 percent) conduct employee research concerning their morale, attitudes and perceived obstacles in the provision of quality service. Thirty-three percent of employees indicated that WASA never conduct research concerning their morale, to provide good quality service to customers. WASA need to conduct research concerning employees' morale, attitude and the perceived obstacles regarding provision of quality service.

Sixty-seven percent of employees indicated that WASA sometimes apply CRM to all the customers and interact with customers as a fundamental step when practising CRM. Thirty-three percent of employees revealed that WASA never apply CRM to all the customers. WASA need to always consider applying CRM to all their customers. Applying CRM to all customers may help WASA to implement CRM effectively and correctly. This may also build long lasting relationships between WASA and customers if all customers are satisfied.

It has also been revealed that (42 + 16 percent) of employees indicated that WASA communicate the importance of employee commitment and trust to their organisation. This could benefit both WASA and employees. If employees are committed to WASA, customers will be satisfied and willing to pay WASA with their time and employees will be rewarded for good quality work. Even though 58 percent of employees (42 + 16 percent) indicated that WASA always or sometimes

communicate the importance of employee commitment and trust to their organisation, 33 percent of employees revealed that WASA never communicate the importance of employees' commitment and trust to their organization. If WASA want to satisfy their customers, WASA always needs to communicate the importance of employees' commitment to their organisation. Commitment and trust goes hand in hand, but for employees to be fully committed and to trust their organisation, they need to be satisfied, motivated, rewarded and empowered.

As stated in table 5.3 p. 113, almost all respondents indicated that WASA communicate changes concerning the product and services to customers in time (75 + 17 percent) of employees indicated always or sometimes, and customers (64 + 25 percent). WASA do not only communicate the changes to customers, but also communicate them to employees, (58 + 25 percent) of employees. It is very important to WASA to communicate to their employees the changes concerning the product/services, in time.

A large percentage of customers (36 + 60 percent) indicated that WASA always or sometimes improve response time to customer complaints, and provide accurate response to customers' queries (40 + 56 percent) with always or sometimes. As stated in chapter 4, paragraph 4.4.3.2 p. 95, when the customer complains, he/she is presenting the organisation with an opportunity to collaborate regarding customer service and solving problems. Customers who complained to the organisation and whose complaints were satisfactorily solved, tell an average of five people about the good treatment they receive (Boshoff, 2007: 58). This could continue helping WASA if only it continues training employees, as training is the only way to turn negative interactions into positive experience, and the only way to handle customer complaints.

5.4.1 Meter reading

The respondents were asked to indicate whether they are completely satisfied with meter reading or not. The results are indicated in table 5.4.

TABLE 5.4: METER READING

Response	Customers		Employees	
	%	(n)	%	(n)
Not at all	8	14	58	7
Most of the time	58	99	42	5
Always	34	58	0	0
Total	100	171	100	12

Fifty-eight percent of customers indicated that they are satisfied with WASA's meter readings most of the time, while 58 percent of employees indicated that they are not at all satisfied. Forty-two percent of employees indicated that they are satisfied most of the time. Thirty-four percent of customers are always satisfied with the meter reading. The results indicated that 92 percent (58 + 34 percent) of customers are satisfied always or most of the time with WASA's meter readings. This sketches positive results on the customer's side, but negative results on employee's side. The results indicate that employees do not think that WASA's service regarding meter reading is up to standard.

5.4.2 Accuracy of bills

Respondents were asked to indicate whether they are completely satisfied with WASA's accuracy of bills. Table 5.5 illustrates the results:

TABLE 5.5: ACCURACY OF BILLS

Response	Customers		Employees	
	%	(n)	%	(n)
Not at all	8	14	50	6
Most of the time	54	92	50	6
Always	38	65	0	0
Total	100	171	100	12

Fifty-four percent of customers and 50 percent of employees indicated that they are satisfied with WASA's accuracy of bills most of the time. Thirty-eight percent

of the customers indicated that they are always satisfied with the accuracy of bills. Fifty percent of employees indicated that they are not at all satisfied with the accuracy of bills.

5.4.3 Response time to pipe bursts and leakage

Respondents were asked to rate WASA's service in terms of response time to pipe burst and leakage. The results are summarised in table 5.6.

TABLE 5.6: RESPONSE TIME TO PIPE BURSTS AND LEAKAGE

Response	Customers		Employees	
	%	(n)	%	(n)
Poor	12	21	34	4
Reasonable	58	99	58	7
Good	30	51	8	1
Total	100	171	100	12

The customers indicated that WASA's service in terms of response time to pipe burst and leakage is reasonable or good (58 + 30 percent). The corresponding figure for employees is 58 percent and 7 percent. Both employees and customers indicated that the response time is reasonable. A small percentage of customers (12 percent) indicated that the response time is poor.

5.4.4 Managing the disposal of wastewater/sewerage collection

Respondents were asked to rate WASA in terms of managing the disposal of wastewater/sewerage from house connections. The results are summarised in table 5.7.

TABLE 5.7: MANAGING THE DISPOSAL OF WASTEWATER/SEWERAGE FROM HOUSE CONNECTIONS

Response	Customers		Employees	
	%	(n)	%	(n)
Poor	11	19	34	4
Reasonable	57	97	58	7
Good	32	55	8	1
Total	100	171	100	12

There is a similar response from customers (57 percent) and employees (58 percent) when it comes to reasonableness. The respondents indicated that WASA’s service in terms of managing the disposal of wastewater from the house connection is reasonable. Thirty-two percent of customers indicated WASA are good in terms of managing the disposal of wastewater while 34 percent of employees indicated that WASA are poor in terms of managing the disposal of wastewater from the house connection. According to the results employees do not have much of confidence in their ability to manage wastewater/sewerage, which can influence their relationship with customers.

5.4.5 The quality of WASA’s water

The respondents were asked to indicate if the quality of WASA’s water is good and if they are happy about it. The results are illustrated in table 5.8.

TABLE 5.8: QUALITY OF WATER

Response	Customers		Employees	
	%	(n)	%	(n)
Not at all	10	17	33	4
Most of the time	60	103	50	6
Always	30	51	16	2
Total	100	171	99	12

The employees indicated that they are satisfied with the quality of the water most of the time (50 percent). Thirty-three percent are not at all satisfied with the quality of the water. These results clearly indicate that WASA (according to its customers) offer good quality, but employees have a different opinion. This may affect the relationships between customers and WASA in a negative way because customers do believe in employees, therefore if the employees indicate that their service is poor how can they gain trust from customers?

As indicated in Chapter 1, paragraph 2, poor quality of water services can lead to many problems, whether economic or social. The economic problems regarding a shortage of water, may include people using untreated water, which may be polluted. Polluted water could cause diseases such as diarrhoea, cholera, and

typhoid, resulting in families or even government spending a great deal of money trying to eradicate such diseases (Hall and Adams, 2006: 15)

Chapter 1 refers to the incidence of cholera in Kwazulu-Natal, South Africa, which is a good example of where Government had to spend much money in an attempt to eradicate the disease (Kagris, 2007: 5). Social problems include poor relationships between management and other employees owing to conflict caused by poor performance. Poor performance may also cause the problem of water availability or water scarcity, which according to Hall and Adam (2006: 71) is quite common in the world, not only in Lesotho.

5.4.6 Water cuts

The respondents were asked to indicate the duration of water cuts. The results are indicated in table 5.9.

TABLE 5.9: WATER CUTS

Response	Customers		Employees	
	%	(n)	%	(n)
Less than 2 hours	46	79	16	2
Between 2 hour to 6 hours	3	5	34	4
Between 6 hours to 10 hours	3	5	25	3
More than 10 hours	48	82	25	3
Total	100	171	100	12

The results indicated that 48 percent of the customers, which is almost half of the customers, spend more than 10 hours without water and 25 percent of employees confirm this. Forty-six percent of customers spend less than two hours without water, which is acceptable, but for the other 48 percent it is not good at all. Maybe the efficiency of announcing a water shortage is not good enough for all customers. Thus respondents were asked to give their opinion on the efficiency of WASA in announcing water shortage and other problems concerning water supply. Table 5.10 illustrates the results:

TABLE 5.10: EFFICIENCY OF ANNOUNCING WATER SHORTAGE

Response	Customers		Employees	
	%	(n)	%	(n)
Inefficient	12	21	50	6
Reasonably efficient	68	116	42	5
Efficient	20	34	8	1
Total	100	171	100	12

The results reveal that 68 percent of customers indicated that WASA are reasonably efficient, but 50 percent of employees indicated that WASA are inefficient in announcing a water shortage. Almost all customers are satisfied with the efficiency of announcing a water shortage, but employees are not satisfied. Employees do not regard the standard of announcing water shortages as efficient or as reasonably efficient, which can also affect the relationship between employees and customers in a negative way.

5.4.7 Reliability of water supply services

Respondents were asked to rate the reliability of WASA’s water supply services. The results are summarised in table 5.11.

TABLE 5.11 : RELIABILITY OF WATER SUPPLY

Response	Customers		Employees	
	%	(n)	%	(n)
Unreliable	10	17	25	3
Moderate	45	77	42	5
Reliable	45	77	33	4
Total	100	171	100	12

The results revealed that customers rated the reliability of WASA’s water supply service as moderate and reliable (45 percent). Employees (42 + 33 percent) rate WASA’s water supply services as moderate and reliable. The results indicate that both employees and customers regard WASA’s water supply as moderate. These results demonstrate that the water supply is adequate.

5.4.8 Customer loyalty

As indicated in chapter 4, paragraph 4.6.1.5, customer loyalty is the outcome of effective CRM applications. A relationship with a customer is similar to the relationship with a spouse. Such a relationship should be built on features such as trust, privacy, protection, emotional support and tolerance of other relationships. The most important aspect of this relationship is its inherent individuality. Every relationship with a customer is different because every customer has different needs and wants (Johnson, et al., 2006: 601; Haeberle, 2004: 12A).

Respondents were asked to indicate whether WASA measures customer loyalty regarding the quality of services offered. The results are summarised in table 5.12.

TABLE 5.12: MEASURING CUSTOMER LOYALTY

Response	Customers		Employees	
	%	(n)	%	(n)
Yes	70	120	33	4
No	10	17	25	4
Don't know	20	34	33	4
Total	100	171	100	12

The purpose of implementing the employee loyalty scheme is to reward loyal employees, to maximise profit, to influence employees' behaviour and to generate customers' information. As indicated by Erwee (2002: 193) "Loyalty schemes are an important tool for relationship marketing, as they accelerate the loyalty cycle of new customers to become regular buyers at the business ...". Seventy percent of customers indicated that WASA measures customer loyalty, 33 percent of employees do not know and 25 percent indicated that WASA do not measure customer loyalty. The respondents were therefore asked to state the reasons why WASA is measuring customer loyalty. The results are summarised in table 5.13.

TABLE 5.13: REASONS FOR MEASURING CUSTOMER LOYALTY

Reasons	Customers		Employees	
	%	(n)	%	(n)
To reward loyal customers	13	22	0	0
To maximize profit	11	19	17	2
To influence customer's behavior	29	50	8	1
To generate customer's information	43	74	25	3

n> 100%: Respondents could indicate more than one

Fifty percent of employees did not respond to this question. Customers indicated that reasons for measuring customer loyalty are to generate customer's information (43 percent), to influence customers' behaviour (29 percent), to reward loyal customers (13 percent) and to maximize profit (11 percent). According to the results there are significant differences between customers and employees because one quarter of employees agree with customers that one of the reasons for measuring customer loyalty is to generate customer's information. A small percentage of employees (8 percent) indicated that another reasons for measuring customer loyalty is to influence customer's behaviour. Employees indicated that maximizing profit (17 percent) is another reasons for measuring customer's loyalty.

5.4.9 Employee loyalty

Chapter 3, paragraph 3.2.4.3 (c) p. 68 indicated that dissatisfied employees are not loyal to their organisation, to the extent that they talk negatively about their organisation and criticise it. This shows that they do not trust their organisation and do not even try to speak up for their organisation whenever there are problems. Therefore only employees were asked to answer the question on whether WASA measurer employees' loyalty with regards to quality service offered. The results are summarised in table 5.14.

TABLE 5.14: MEASURING EMPLOYEE LOYALTY

Response	Employees	
	%	(n)
Yes	42	5
No	33	4
Don't know	25	3
Total	100	12

Only 42 percent indicated that WASA measure employee loyalty, the other 33 percent indicated that WASA do not measure employee loyalty and the remaining 25 percent do not know. Therefore the results clearly indicate that even though WASA measure employee loyalty, it does not consider measuring employee loyalty as important. The respondents were asked to indicate the reasons why WASA is measuring employee loyalty. The results are summarised in table 5.14 p. 125.

TABLE 5.15: REASONS FOR MEASURING EMPLOYEES' LOYALTY

Reasons	Employees	
	%	(n)
To reward loyal employees	8	1
To maximize profit	17	2
To influence employees' behavior	0	0
To generate employees' information	25	3

n> 100%: Respondents could indicate more than one

Employees play an important role in CRM which is why it is important for WASA to know whether its employees are loyal or not. Fifty percent of employees did not respond and twenty five percent of employees indicated that reasons for measuring employees' loyalty are to generate employees' information. Seventeen percent indicated that maximizing profit is another reason for measuring employee loyalty and a small percentage (8 percent) indicated that rewarding loyal employees is one of the reasons for measuring employee loyalty.

5.4.10 Employee recognition and employee satisfaction

Respondents were asked to indicate WASA's service in terms of employee recognition and employee satisfaction. The results are shown in table 5.16

TABLE 5.16: EMPLOYEE RECOGNITION AND EMPLOYEE SATISFACTION

Response	Employees	
	%	(n)
Poor	33	4
Reasonable	67	8
Good	0	0
Total	100	12

As stated in table 5.16 p. 126, 67 percent of employees indicated that WASA is reasonable in recognising its employees and keeping them satisfied. Thirty-three percent indicated that WASA is poor in employee recognition and satisfaction and 0 percent indicated that no one thinks that WASA is good in terms of employee recognition and satisfaction.

5.4.11 Definition of CRM

Chapter 2, paragraph 2.1 p. 15, indicates that CRM can be defined as “a data – driven approach that enables companies to assess each customer’s current needs and potential profitability and to tailor sales offers and service accordingly. The fundamental purpose of CRM is to build relationships effectively with customers by understanding them better” (Fitzagibbon and White, 2004: 216).

The above definition clearly indicates that there are similar opinions between the mentioned authors and customers. Personal customer attention is the best tool to build relationships with customers effectively and to understand customers better. It is a concern that employees did not respond to personal customer attention as stated in the definition of CRM. The respondents were asked to define CRM based on the knowledge they have about CRM. The results are shown in table 5. 17

TABLE 5.17: DEFINITIONS OF CRM

Definitions of CRM	Customers		Employees	
	%	(n)	%	(n)
Excellent service to customers external	77	132	50	6
Excellent service to customers internal (employees)	13	22	50	6
Personal customer attention	73	125	0	0

n> 100%: Respondents could indicate more than one.

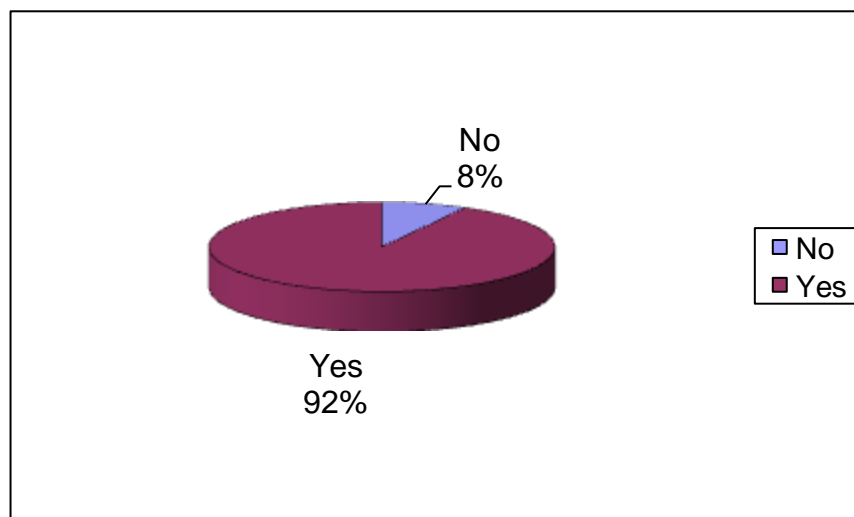
Seventy three percent of customers define CRM as personal customer attention, 77 percent of the customers define CRM as providing excellent service to customers externally, while a small percentage (13 percent) indicated excellent service to customers internally which are employees. The results reveal a

significant difference since half of employees (50 percent) define CRM as providing excellent service to customers' externally while the other half (50 percent) define CRM as providing excellent service to customers internally (employees). and 0 percent indicated that employees do not agree that personal customer attention define CRM. Table 5.17 indicates that there is a significant difference between the opinions of customers (73 percent) and the opinions of employees (0 percent). Employees definitely do not regard personal customer attention as a definition of CRM. From the customers' point of view personal customer attention defines CRM, therefore it is essential for WASA to consider personal attention as a definition of CRM.

5.4.12 Importance and reasons behind the CRM strategic directions in the workplace

Employees were asked to indicate whether they understand the importance and reasons behind the CRM strategic directions in the workplace. The results are summarised in figure 5.1.

FIGURE 5.1: THE IMPORTANCE AND REASONS BEHIND CRM



The results reveal that 92 percent of employees understand the importance and reasons behind the CRM strategic directions in the workplace. Only a small percentage (8 percent) did not understand the importance and reasons behind the CRM strategic directions in the workplace.

5.4.13 Instruments used to measure CRM

The employees were asked to indicate the type of instruments used by WASA to measure CRM concerning the quality of service and products offered to customers. Table 5.18 indicates the instruments used by WASA to measure CRM concerning the quality of service (s) or product (s) offered to customers.

TABLE 5.18: INSTRUMENTS USED BY WASA TO MEASURE CRM

Instruments	Customers		Employees	
	%	(n)	%	(n)
Customer's hot line	32	55	25	3
Follow-up efforts (after sale care)	2	3	50	6
Rate of complaints	8	14	42	5
Questionnaires	45	77	50	6
Customer's suggestion box	72	123	67	8

n > 100%: Respondents could indicate more than one

The instrument mostly used by WASA to measure CRM concerning the quality of service (s) or product (s) offered to customers is a customer suggestion box, which was indicated by 72 percent of the customers and 67 percent of the employees. Fifty percent of the employees also indicated that follow-up efforts and questionnaires are used as instruments to measure CRM. A small percentage of the customers indicated that WASA do not use follow-up efforts (2 percent). The results indicate that employees think that follow up efforts (after sales care) is used by WASA to measure CRM. Customers disagree with employees (6 percent) regarding the above. As indicated in table 5. 18, according to employees, WASA mostly uses three instruments to measure CRM. This might help WASA to receive true measurements of what WASA expect to get from CRM. If more instruments are used to measure CRM, better results will be obtained. Results from customers

indicate that WASA mostly uses a suggestion box and questionnaires to measure CRM.

5.5 CUSTOMER SATISFACTION AND CUSTOMER SERVICE

As stated clearly in chapter 3, paragraph 3.1 p. 61, customer satisfaction may be defined as the perceived experience of the product/service performance by customers. Implementing a total customer satisfaction programme requires the organisation's total commitment. An organisation's total commitment involves employees' commitment to customers and measuring customer satisfaction regularly, which is also known as marketing research (Yang and Peterson, 2004: 803 – 804). Therefore the aim of section C of the questionnaire (Appendix D and E) was therefore to determine whether WASA consider customer service as an important tool to be used to ensure high levels of customer satisfaction, which can affect the relationship between customers and WASA.

5.5.1 Building good customer relations

The respondents were asked to indicate whether or not building good customer relations results in customer satisfaction. The aim was to see whether or not the respondents understand the importance of building good customer relations and its meaning. The results are summarised in table 5.19.

TABLE 5.19: BUILDING GOOD CUSTOMER RELATIONS

Response	Customers		Employees	
	%	(n)	%	(n)
No	0	0	0	0
Yes	100	171	100	12
Total	100	171	100	12

It is clear from the results that customers and employees understand the importance of building good customer relations and its meaning. One hundred percent of employees and customers indicated that the statement is true.

5.5.2 Good quality customer service

The respondents were asked to indicate whether WASA provide good quality customer services. The results are summarised in table 5.20 p. 132.

Professional appearance of WASA's employees receives the highest percentage from customers. Eighty-four percent of customers indicated that professional appearance by WASA's employees always contributes to providing good quality customer service. Only 16 percent of employees agreed that the professional appearance by WASA's employees contribute in providing good quality customer service. This is a concern, WASA's employees should start considering professional appearance as a contributor to good quality customer service.

By contrast, the opinion of customers (57 + 42 percent) and employees (58 + 33 percent) indicate that individual and personal attention to each customer always or sometimes contribute to providing good quality customer service. As stated in chapter 2, paragraph 2.1, the better the company can relate to the customer as an individual, the better it is at managing its relationships. Customers (51 + 47 percent) and employees (67 + 25 percent) indicated that WASA always or sometimes provide good quality customer service by being friendly and supportive to customers.

TABLE5.20: GOOD QUALITY CUSTOMER SERVICE

Response	Never				Sometimes				Always			
	Cus		Emp		Cus		Emp		Cus		Emp	
	%	(n)	%	(n)	%	(n)	%	(n)	%	(n)	%	(n)
Individual and personal attention to each customer	1	2	8	1	57	97	58	7	42	72	33	4
Friendliness and supportive to customers	2	3	8	1	51	87	67	8	47	80	25	3
Professional appearances of WASA's employees	0	0	8	1	16	27	75	9	84	144	16	2

5.5.3 Response to customer queries

The respondents were asked to indicate whether WASA respond to customer queries or not. The results are summarised in table 5.21.

TABLE 5.21: WASA RESPONSE TO CUSTOMER QUERIES

Response	Customers		Employees	
	%	(n)	%	(n)
No	4	7	0	0
Yes	96	164	100	12
Total	100	171	100	12

The results reveal that almost all the respondents agree that WASA respond to customer queries. Only a small percentage (4 percent) of customers did not agree that WASA respond to customer's queries.

Respondents were asked to rate WASA based on the answers they gave in table 5. 21. The results are summarised in table 5.22.

TABLE 5.22: RESPONSE TIME TO CUSTOMER QUERIES

Response	Customers		Employees	
	%	(n)	%	(n)
Not satisfied	13	22	0	0
Somewhat satisfied	73	120	100	12
Completely satisfied	13	22	0	0
Total	100	164	100	12

Based on the response revealed in table 5.22, 73 percent of the customers and 100 percent of employees indicated that they are somewhat satisfied with WASA's response time to customer queries. Thirteen percent of customers are completely satisfied while only 13 percent of the customers are not satisfied with the response time to customer queries.

5.5.4 The importance of building customer satisfaction

Several aspects, as mentioned in question 3.5 of the questionnaire (Appendix D p. 206 and E p. 213) were regarded as important in building customer satisfaction. Responses are summarised in table 5.23 p. 135.

The customers (64 + 29 percent) and employees (67 + 33 percent) indicated that WASA believe in customer satisfaction by constantly striving to develop a close relationship with its customers. Employees indicated that WASA also believe in customer satisfaction by its constant striving to develop a close relationship with its employees always or sometimes (67 + 25 percent).

Ninety-two percent of the employees indicated that WASA's management sometimes correctly implements the organisation's policies and procedures, which may affect customer satisfaction. But it was not easy for customers to answer or to respond to this aspect, which is why there is a big difference between the response of customers and employees. Professional appearance of WASA's management is also a major contributor to customer satisfaction. Customers (10 + 86 percent) and employees (58 + 33 percent) indicated always or sometimes.

TABLE 5.23: THE IMPORTANCE OF BUILDING CUSTOMER SATISFACTION

Response	Never				Sometimes				Always			
	Cus		Emp		Cus		Emp		Cus		Emp	
	%	(n)	%	(n)	%	(n)	%	(n)	%	(n)	%	(n)
WASA believe in customer satisfaction by constantly striving to develop a close relationship with their customers	7	12	0	0	64	109	67	8	29	50	33	4
WASA believe in customer satisfaction by constantly striving to develop a close relationship with their employees	-	0	8	1	-	0	67	8	-	0	25	3
WASA enforce the principles of customer satisfaction	10	17	0	0	71	121	67	8	19	32	33	4
WASA's management correctly implement the organisation's policies and procedures which may affect customer satisfaction.	22	38	8	1	27	46	92	11	15	26	0	0
Professional appearance of WASA's management is a major contributor to customer satisfaction	4	7	8	1	10	17	58	7	86	147	33	4

5.5.5 WASA's service delivery

Respondents were asked to rate WASA's service delivery with reference to the mentioned statements. The responses are summarised in table 5.24 p. 137.

Efficiency of working directly with customers received the highest percentage from both respondents. Customers (45 + 39 percent) and employees indicated (75 + 16 percent) that they are somewhat satisfied and very satisfied. The respondents were also somewhat satisfied and very satisfied about friendliness over the telephone. Customers indicated (44 + 53 percent) and employees (58 + 25 percent).

Fifty- three percent of customers are very satisfied with WASA's service delivery in terms of the friendliness over the telephone, but only one quarter of employees are very satisfied. This is a concern. WASA should consider communicating with customers over the telephone as important in terms of service delivery. Only 16 percent of employees are very satisfied with the efficiency of working directly with customers. This is also a concern, WASA must consider the efficiency of working directly with customers as important if they really want to deliver quality service to customers.

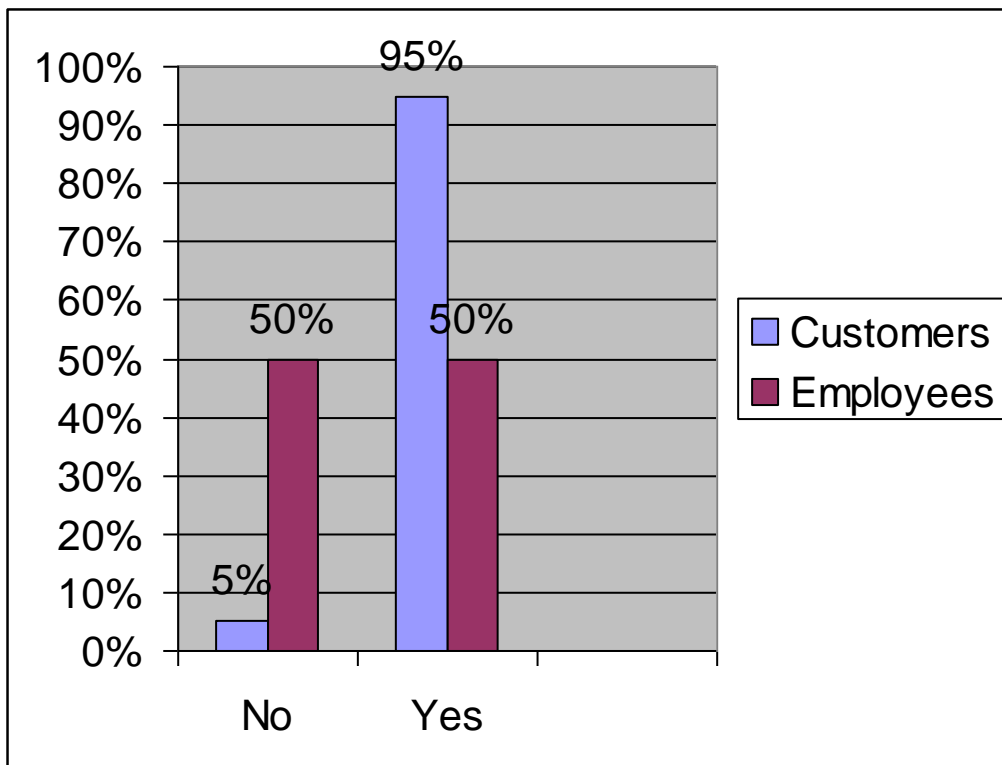
TABLE 5.24: WASA'S SERVICE DELIVERY

Statements	Not satisfied				Somewhat satisfied				Very satisfied			
	Cus		Emp		Cus		Emp		Cus		Emp	
	%	(n)	%	(n)	%	(n)	%	(n)	%	(n)	%	(n)
Friendliness over telephone	1	2	17	2	44	75	58	7	53	91	25	3
Efficiency of working directly with customers	15	26	16	2	45	77	75	9	39	67	16	2

5.5.6 Expectations of customers concerning the quality of customer service delivery

Chapter 2, paragraph 2.2.6 p. 22, indicates that knowledge of customer's needs, wants and expectations from the organisation are very important because they enable the organisation to be up to date with the customer's future expectations. This is indicative of continuous communication between the organisation and its customers, which could be implemented through meetings and workshops. The organisation should also conduct customer satisfaction surveys that focus on improving, maintaining and satisfying customer needs, wants and expectations (Jaychendran, et al., 2004: 220; Terblanche, 2006: 35). The respondents were asked to indicate whether WASA measures the expectations of customers concerning the quality of customer service delivery. Measuring customers' expectations may help WASA to assess the quality of customer service that WASA should deliver to customers. The results are summarised in figure 5.2.

FIGURE 5.2: MEASURING CUSTOMER EXPECTATIONS



A large percentage of customers (95 percent) indicated that WASA measures the expectations of customers concerning the quality of customer service delivered. Fifty percent of employees indicated that WASA does not measure customers' expectations. Fifty percent of the employees agreed that WASA measures customers' expectations. Therefore there is a significant difference between the responses of customers and the responses of employees. This is a concern. What customers expect from WASA can be used by management to customise the product (s) and service (s) offered by WASA. It is important for WASA to measure customer expectations for them to be able to produce customised products and services.

5.5.6.1 Instruments used to measure customer expectations

According to Erwee (2002: 176) "It is important for business to determine what customers require and what they expect from the business, in order to keep customers happy, to retain them and to continuously deliver high quality service". It is also indicated in chapter 2, paragraph 2.2.6 p. 22 that the innovative and new methods of providing services should be explored and adopted (Terblanche and Boshoff, 2004: 29). That is why the respondents were asked to indicate the instruments that are used to measure customer expectations. The results are summarised in table 5.25.

TABLE 5.25: INSTRUMENTS USED TO MEASURE CUSTOMER EXPECTATIONS

Instruments	Respondents			
	Customers		Employees	
	%	(n)	%	(n)
Customer's hot line	32	55	25	3
Follow – up efforts (after sale care)	1	2	16	2
Rate of complaints	11	19	50	6
Questionnaire	46	78	42	5
Customer suggestion box	76	130	58	7

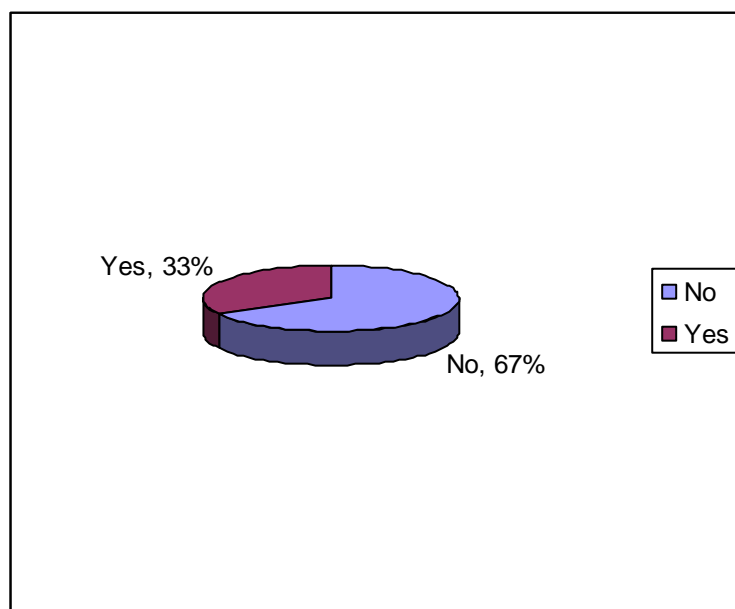
n> 100% : Respondents could indicate more than one.

The results revealed that customer suggestion box is mostly used by WASA, with 76 percent of the customers and 58 percent of the employees indicating that a customer suggestion box is mostly used by WASA, followed by the questionnaires (customers 46 percent and employees 42 percent). The rate of complaints as instrument was indicated by 50 percent of the employees and only 11 percent of customers. If this instrument is used effectively and correctly, a high rate of complaints will be received. This could indicate the problem areas and enable WASA to rectify its mistakes. Respondents indicated that follow up efforts (after sale care) are less considered by WASA when measuring customers' expectations (one percent of customers and 16 percent of employees).

5.5.7 Expectations of employees

Only employees were asked to indicate whether WASA measures the expectations of employees concerning the quality of customer service delivery. Measuring employees' expectations may help WASA to assess the real quality of customer service that WASA should deliver to customers. The results are summarised in figure 5.3.

FIGURE 5.3: MEASURING EMPLOYEE EXPECTATIONS



A large percentage (67 percent) of employees indicated that WASA do not measure employee expectations concerning quality of customer service delivery. Only 33 percent of employees agreed that WASA measures employees' expectations concerning quality of customer service delivery. This is a concern for WASA need to measure employees' expectations as employees are the ones who interact directly with customers. Employees are much more familiar with the needs and expectations of customers from WASA, therefore employees' expectations are based on what they know about the customers.

5.5.7.1 Instruments used to measure employee expectations

Employees play an important role in customer relationship management. It is important for WASA to measure the expectations of employees, as they are the ones who interact directly with customers on a daily basis. The respondents were asked to indicate the instruments that are used by WASA to measure employee expectations. The results are summarised in table 5.26.

TABLE 5.26: INSTRUMENTS USED TO MEASURE EMPLOYEE EXPECTATIONS

Instruments	Respondents	
	%	(n)
Rate of employees' complaints	83	10
Employee questionnaire	16	2
Employee suggestion box	16	2

n> 100%: Respondents could indicate more than one

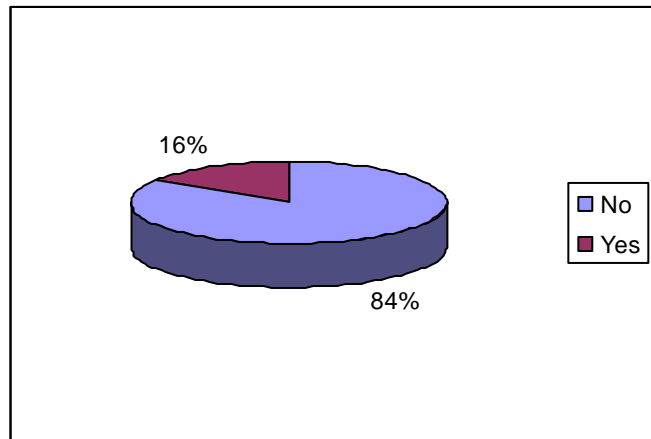
From table 5.26 it is clear that WASA mostly use the rate of employees' complaints to measure employees' expectations (83 percent). Sixteen percent indicated that WASA uses the employee questionnaire and employee suggestion box as instruments to measure employee expectations. The results indicated that WASA mostly uses one instrument to measure employee expectations, namely rate of employee complaints. If WASA wants to know more about its employees' expectations, they need to use a variety of instruments to measure the

expectations of employees, not only one instrument. This might help WASA to get more information on employee expectations.

5.5.8 Employee satisfaction

Employees were asked to indicate whether WASA measures employee satisfaction. Figure 5.4 p.142 below summarises the results. Chapter 3, paragraph 3.2.4 p. 65, states that employees are the organisation's internal customers, therefore employees are the most important assets of the organisation. If employees are satisfied it will be possible for them to satisfy customers. Satisfied customers may become loyal to the organisation and talk favourably about the products/services received from employees. Satisfying employees is not only a reward to employees, but also a way of increasing the organisation's profitability.

FIGURE 5.4: MEASURING EMPLOYEE SATISFACTION

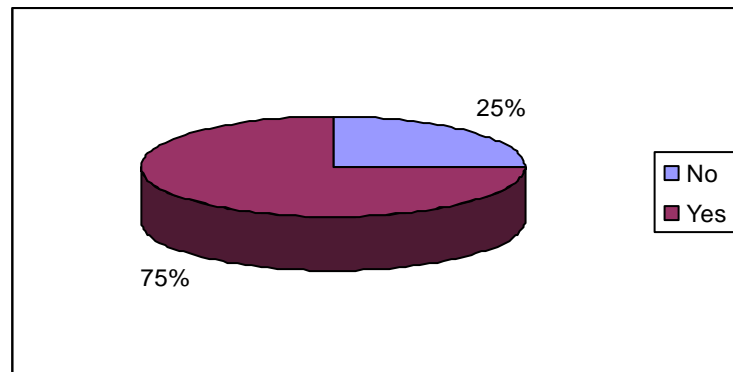


As clearly indicated in figure 5.4 WASA measures employee satisfaction; only small percentages (16 percent) do not agree that WASA measure employee satisfaction.

5.5.9 Customer satisfaction

Employees were asked to indicate whether WASA measures customer satisfaction. The results are summarised in figure 5.5.

FIGURE 5.5: MEASURING CUSTOMER SATISFACTION



A large percentage of employees (75 percent) indicated that WASA measures customer satisfaction concerning the quality of service delivery. The respondents were therefore asked to indicate the instruments used to measure customer satisfaction. The results are summarised in table 5.27.

5.5.9.1 Instruments used to measure customer satisfaction

As indicated in table 5.27 p. 144 58 percent of the respondents indicated that WASA mostly use a customer suggestion box as their main instrument to measure customer's satisfaction, followed by the rate of complaints (50 percent) and questionnaires (33 percent). Few respondents indicated that WASA use customer hot line and follow up efforts (after sales care) as instruments to measure customer satisfaction (16 percent).

TABLE 5.27: INSTRUMENTS USED TO MEASURE CUSTOMER SATISFACTION

Instruments	Responses	
	%	(n)
Customer hot line	16	2
Follow up efforts (after sales care)	16	2
Rate of complaints	50	6
Questionnaire	33	4
Customer suggestion box	58	7

n> 100%: Respondents could indicate more than one

Few employees (16 percent) indicated that WASA uses customer hot line and follow up efforts (after sale care) as its instruments to measure customer satisfaction.

5.6 RELATIONSHIP MARKETING (RM) AND CUSTOMER SERVICE

RM as indicated in chapter 4, paragraph 4.2, is the process by which marketing management builds long term relationships with its customers, for the purpose of increasing the profitability of the organisation by formulating and implementing the marketing strategy, and maintaining the relationship between the organisation and its customers (Christopher, et al., 2002: 220: 2). Customer service entails activities, benefits in connection with the sale of products or services (Algel, et al., 2002:468).

TABLE 5.28: ASPECTS TO BE CONSIDERED WHEN BUILDING CUSTOMER LOYALTY

Aspects	Not Satisfied				Somewhat satisfied				Very satisfied			
	Cus		Emp		Cus		Emp		Cus		Emp	
	%	(n)	%	(n)	%	(n)	%	(n)	%	(n)	%	(n)
Corrective actions are implemented immediately when the customers are unhappy with the quality of the product/services	17	29	17	2	24	41	83	10	24	41	0	0
WASA's employees are well trained to turn possible negative interactions into positive experience	23	39	33	4	39	67	58	7	38	65	8	1

5.6.1 Building customer loyalty

The respondents were asked to rate WASA on aspects which may be considered when building customer loyalty. The results are summarised in table 5. 28 p.145. Eighty-three percent of the employees indicated that they are somewhat satisfied on corrective actions, which were implemented immediately when the customers are unhappy with the quality of the product/services. Customers (24 + 24 percent) are somewhat satisfied and very satisfied with corrective actions. It has been revealed that (39 + 38 percent) of customers and (58 + 8 percent) of employees are somewhat satisfied and very satisfied that WASA's employees are well trained, to turn possible negative interactions into positive experience.

Thirty-eight percent of customers are very satisfied that WASA's employees are well trained to turn possible negative interactions into positive experiences. Only (8 percent) of employees indicated that they are very satisfied. These results clearly indicate that employees need to be trained, since they do not believe in themselves.

5.6.2 The cost of water supply and sewerage collection

Price is what the customers pay to receive a bundle of benefits in exchange (Badenhorst, et al., 2003: 320; Terblanche and Boshoff, 2004: 41). Customers are charged for products and services in order to generate profit and allow the organisation to manage, maintain and replace its services (Mithas, et al., 2005: 202; Choi, et al., 2004: 914). If the price of the product/service is too high and the benefits received from the product/service are fewer than to customers' expectations, RM may be negatively affected. Therefore customers will decide not to buy a product/service from the organisation. The respondents were asked to indicate the cost of water supply and sewerage collection. The results are summarised in table 5.29.

TABLE 5.29: COST OF WATER SUPPLY

Response	Customers		Employees	
	%	(n)	%	(n)
Too expensive	0	0	25	3
Somewhat expensive	22	38	42	5
Acceptable	78	133	33	4
Total	100	171	100	12

Customers indicated that cost of water supply is acceptable (78 percent) but only 33 percent of employees agreed that the cost of water supply is acceptable. The results show that few employees think that the cost of water supply is acceptable but a large percentage of customers agree that the cost of water supply is acceptable. Customers indicated with 0 percent that the cost of water supply is not too expensive, but indicated with 22 percent that the cost of water supply is somewhat expensive. Twenty-five percent of employees disagree with customers that indicated that the cost of water supply is too expensive, and somewhat expensive (42 percent). The results reveal that employees are not sure about customer needs, wants and expectations from WASA's products or services and this can influence their relationship with customers. As indicated in chapter 4 paragraph 4.6.1.1 p. 105, WASA should have some kind of relationship with its customers and make an impact on the customers' environment. WASA has to make sure that it understands what the customers' needs, expectations and priorities are (Fitzgibbon and White, 2005: 216). This can be done in several ways including customers' surveys, suggestion boxes and telephonic interviews, which may help WASA to understand the needs, expectations and priorities of customers concerning WASA's products and services.

TABLE 5.30: COST OF SEWERAGE COLLECTION

Response	Customers		Employees	
	%	(n)	%	(n)
Too expensive	3	5	17	2
Somewhat expensive	19	32	25	3
Acceptable	78	134	58	7
Total	100	171	100	12

Seventy-eight percent of customers indicated that the cost of sewerage collection is acceptable and 58 percent of employees agree. Twenty-five percent of

employees indicated that the cost of sewerage collection is somewhat expensive, whereas only 19 percent of customers agreed. This indicates the significant difference between what the employees and customers think. A small percentage (3 percent) of customers indicated that the cost of sewerage collection is too expensive, while 17 percent of employees agreed. From the customers' point of view the cost of sewerage collection is not too expensive, rather it is somewhat expensive and acceptable.

5.6.3 Willingness to serve customers

The respondents were asked to indicate the willingness of WASA to serve customers. The results are summarised in table 5.31.

TABLE 5.31: WASA'S WILLINGNESS TO SERVE CUSTOMERS

Response	Customers		Employees	
	%	(n)	%	(n)
Not at all	9	15	42	5
Most of the time	71	122	50	6
Always	20	34	8	1
Total	100	171	100	12

Customers indicated that WASA always or most of the time communicate their willingness to serve customers (71 + 20 percent) while (50 + 8 percent) of employees indicated the same as the customers. A small percentage (9 percent) of customers are not at all satisfied with WASA's willingness to serve customers. There is a large difference in the "not at all" response between the customers (9 percent) and employees (42 percent). This indicates that only few customers are not at all satisfied with WASA's willingness to serve customers. A large percentage of employees agreed that they are not at all satisfied with WASA's willingness to serve customers. This means that employees do not have confidence in WASA's willingness to serve customers and this may also influence their relationship with customers negatively.

5.6.4 Follow up efforts

The respondents were asked to rate the follow-up efforts made by WASA after they had completed their work. The results are summarised in table 5.32.

TABLE 5.32 : FOLLOW UP EFFORTS

Response	Customers		Employees	
	%	(n)	%	(n)
Not at all	50	85	20	2
Most of the time	50	86	68	8
Always	0	0	20	2
Total	100	171	100	12

Most of the employees (68 percent) indicated that most of the time or always WASA does a follow-up after they have completed their work. Half of the customers indicated that WASA do not at all undertake a follow-up and the other 50 percent indicated that WASA does a follow-up after they have completed their work to check if customers are satisfied with the products/services. Twenty percent of employees indicated that WASA always does a follow up after they have completed their work. Customers disagreed by 0 percent. Customers indicated that most of the time or no follow up efforts was made by WASA after the completion of the work.

5.7 OVERALL PERFORMANCE

The respondents were asked to indicate the areas in which they would like to see improvement in WASA.

The questionnaire included a general question (question 5.1), which sought to provide respondents with the opportunity to comment on some of their responses in sections B, C and D. This question asked respondents to state in which areas they would like to see improvement in WASA's level of service. The areas suggested for improvement are provided in table 5.33 p. 151.

It is important to note that, for the purpose of question 5.1, each respondent was allowed to recommend more than one area of improvement. This has caused the total number of recommendations to be larger than the total number of respondents which is 183.

5.7.1.1 Training of employees on customer care

One hundred percent of employees indicated that they need to be trained on customer care. As stated in chapter 2, paragraph 2.2.2.1 p. 20, training employees helps employees (both management and other employees) to be aware of every change that may arise in an organisation or every change that may arise from customer's expectations about the product or services delivered to them.

Training of employees could also enable employees to solve customers' problems immediately without taking the problems to management, which may sometimes waste customers' time and cause more problems and dissatisfaction among customers. Through training employees could improve their knowledge and skills, which may help employees to stay motivated and innovative, which should help employees to bring continuous improvement in WASA (Rozell, et al., 2004: 419). Chapter 2, paragraph 2.2.5 p. 22 also states that training could help employees to instill confidence in customers (Rozell, et.al. 2004: 419).

Chapter 2, paragraph 2.5.1 p. 30, states that it is only through training that the closest and most effective supervision of employees can be built. It has been noticed that some managers do not clearly exercise leadership responsibility because of lack of training.

TABLE 5.33: AREAS THAT NEED IMPROVEMENT REGARDING WASA’S LEVEL OF SERVICES

Response	Customers		Employees	
	%	(n)	%	(n)
Working hours must be extended	11	19	0	0
Training of WASA’s employees on customer care	47	80	100	12
Response time to customer complaints	46	79	75	9
Frequency of visits to customers	6	10	42	5
Reliability of water supply	29	50	58	7
Individual and personal attention to each customer	29	50	42	5
Friendliness over telephone	13	22	58	7
Response time to pipe burst and leakage	13	22	67	8
Announcements prior to water cuts and shortages	39	67	75	9
Accuracy of meter reading	23	39	83	10
Accuracy of bills	25	43	75	9
Quality of water	64	109	42	5
Managing the disposal of wastewater/sewerage	14	24	0	0
Other (specify) Employees should stop loitering during working hours	0	0	8	1

n > 100% : Respondents could indicate more than one

5.7.1.2 Accuracy of meter reading and bills.

Accuracy of meter reading (83 percent) and accuracy of bills (75 percent) by employees were rated as second and third areas that need to be improved. Accuracy of bills can be affected by meter reading, as meter readers sometimes have the tendency of using estimations instead of taking the true numbers of the meter readings. Therefore there is a need for continuous training of meter readers because satisfaction may be affected negatively if meter readers are inadequately trained.

5.7.1.3 Announcements prior to water cuts and shortages

Seventy-five percent of employees indicated that there is a need for improvement. It is clear that employees understand the importance of continuous effective communication with customers. Only a few customers indicated that the announcements prior to water cuts and shortages need to be improved. This indicates that customers are satisfied with the announcements prior to water cuts and shortages.

5.7.1.4 Quality of water

This is the main area of concern according to customers. Sixty-four percent indicated that the quality of water needs to be improved. Only 42 percent of employees agree that the quality of water needs to be improved. Poor quality of water, which is the state by which water has been affected by impurities, affects the health of people. Water can act as a transporting medium of diseases or bacteria causing diseases such as cholera and typhoid. This is why customers are so concerned about the quality of water.

5.7.1.5 Friendliness over the telephone

Fifty-eight percent of employees indicated that the friendliness over the telephone needs to be improved. Telephone is one of the most important tools used to collect information from customers, therefore employees need to be trained to communicate with customers over the telephone in a friendly way. Only 13

percent of customers indicated that this aspect needs to be improved. It is clear that customers are satisfied with the friendliness of employees over telephone.

5.7.1.6 Response time to customer complaints

Seventy-five percent of employees and 46 percent of customers indicated that response time to customer complaints needs to be improved. This is a concern as stated in chapter three, paragraph 3.3.1 p. 75, under problem resolution and recovery, that customers want the organisation to pay attention to their business problems.

5.7.1.7 Reliability of water supply

Fifty-eight percent of the employees indicated that the reliability of water supply needs to be improved. As stated previously in table 5.9 p.122 some people spend more than 10 hours without water, while others spend less than 2 hours. Only 29 percent of customers indicated that the reliability of water supply needs to be improved. This clearly indicates that customers are satisfied with the reliability of the water supply. The reliability of the water supply can have a strong influence on customers' expectations because customers expect WASA to have water available when needed. Chapter 3, paragraph 3.2.6.3 p. 71, states that customer satisfaction is the output of good organisational performance. Conversely customer dissatisfaction is also the output of bad organisational performance.

5.7.1.8 Response time to pipe bursts and leakage.

Sixty-seven percent of employees and 13 percent of customers indicated that response time to pipe bursts and leakage need to be improved. It is essential to respond to pipe bursts and leakage because immediate response may prevent WASA from wasting water. If WASA attend to customer complaints as soon as they receive the complaint, WASA could save much water, while at the same time making customers happy. Customers revealed a positive picture about the response time to pipe bursts and leakage, but employees do not believe that they have the ability to respond in time to pipe bursts and leakage. The latter may affect the relationship between employees and customers in a negative way,

employees believe that they still have the opportunity to improve the response time to pipe bursts and leakage.

5.7.1.9 Frequency of visits to customers

Forty-two percent of employees indicated that frequency of visits to the customers needs to be improved. Only a small percentage of customers (6 percent) agreed that frequency of visits to customers needs to be improved. The results clearly indicate that the customers are satisfied with the frequency of visits to customers.

5.7.1.10 Individual and personal attention to each customer

Forty two percent of employees indicated that individual and personal attention to each customer needs to be improved. Twenty nine percent of the customers are of the same opinion than employees. In table 5.17 p. 127 the respondents were asked to indicate the definition of CRM and customers (75 percent) indicated that personal customer attention defines CRM.

5.7.1.11 Managing the disposal of wastewater

A small percentage of customers (14 percent) indicated that managing the disposal of wastewater from house connection needs to be improved. Zero percent of employees indicated that employees are satisfied about managing the disposal of wastewater from house connections. This clearly indicates that a large percentage of customers and employees are satisfied.

5.7.1.12 Other areas

A small percentage (8 percent) of respondents indicated that other areas which need to be improved is that employees need to be managed more especially during working hours. Employees need to concentrate on working, not on personal matters as this may destroy the image of the company.

5.8 CONCLUSION

If WASA wants to satisfy its customers, it first has to satisfy its employees by creating a conducive working environment and empowering employees through training, and workshops. In other words, WASA has to spend much money on employees before expecting good customer service from employees to customers. The higher employee satisfaction, the higher employee performance in delivering better service to customers.

Conclusions and recommendations are discussed in chapter 6. The areas suggested for improvement in chapter 5 are discussed in chapter 6. This chapter will also cover the recommendations concerning the overall performance and the recommendations for future research.

CHAPTER 6

CONCLUSIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

With the help of a literature study, this research has given an overview of customer relationship management, followed by the investigation of whether WASA implement and apply CRM correctly and effectively. Conclusions and recommendations regarding the implementation and application of CRM will be discussed in this chapter accordingly, with reference to the results of the empirical study in chapter 5.

As indicated in chapter 2 on page 15 “managing a customer relationship means more than just having a string of information on the person. It means understanding every communication the company has with the customer and every communication the customer has with the company. This does not only mean purchase or marketing communications, but also complaints and service requests. The better the company can relate to the customer as individual the better it is managing its relationship” (Fitzagibbon and White, 2004: 203 and 216).

6.2 ATTAINMENT OF OBJECTIVES

The objectives as indicated in chapter 1, paragraph 1.4.1 p. 4 and 1.4.2 p. 4 have been attained as follows:

- ❖ Primary objectives – see paragraph 6.3.1.1 p. 157, 6.3.1.16 p. 163, 6.3.1.17 p. 164 and 6.3.1.18 p. 164.
- ❖ Secondary objectives – see paragraph 6.3.2 p. 164, 6.3.1.14 p. 163, 6.3.1.15 p. 163, 6.3.2.6 p.167, 6.3.1.10 p. 162, 6.3.3.1 p. 168, 6.3.2.4 p. 166, 6.3.1.12 p. 162, 6.3.1.13 p. 162, 6.3.1.2 p. 159, 6.3.1.3 p. 159, 6.3.1.4

p. 159, 6.3.1.5 p. 160, 6.3.1.7 p. 161, 6.3.1.8 p. 161, 6.3.1.9 p. 161, 6.3.2.1 p. 165, 6.3.2.2 p. 165, 6.3.2.3 p. 166, 6.3.2.5 p.166, 6.3.3.2 p. 169, 6.3.3.3. p. 169, 6.3.3.4 p. 169 and 6.3.3.5 p. 170.

6.3 CONCLUSIONS

The primary objective was to determine if WASA implement and apply CRM strategies effectively and correctly. Based on the results in chapter 5, there are several imperfections that need to be reconsidered by the top management of WASA. These imperfections if not corrected may affect the implementation of CRM strategies in a negative way. The conclusions based on the results of the empirical study in chapter 5, are discussed below:

6.3.1 Customer Relationship Management

The conclusions regarding customer relationship management are as follows:

6.3.1.1 Implementation of CRM

The purpose of table 5.3 p. 113 was to determine if WASA implement and apply CRM strategies effectively, and correctly, by striving to develop close relationships with its customers. As a result, several aspects in table 5.3 p. 113 were evaluated by the respondents and the conclusions are as follows:

It has been revealed by a large percentage of the employees in table 5.3 p. 113 that WASA sometimes strive to develop close relationships with its customers by effective communication between WASA and employees. For example, WASA sometimes communicate tariffs clearly and concisely to employees and sometimes also communicate changes concerning the product and services to employees in time. WASA does not seem to consider communicating the importance of employee commitment and trust to their organisation as important. A large percentage of the employees indicated that WASA never apply CRM to all

customers and only sometimes interact with customers as a fundamental step when practicing CRM. Results of the water cuts in table 5.9 p. 122 confirm that WASA do not apply CRM to all customers. A large percentage of customers indicated that they spend more than ten hours without water while almost the same percentage spend fewer than two hours without water. This clearly indicates that WASA do not apply CRM to all customers, which implies that they do not treat customers equally.

It has been revealed in table 5.3 p. 113 that a large percentage of employees indicated that WASA sometimes create solutions for employee problems, but never reward employees for good quality service. The results reveal that WASA never link rewards with customer centered behaviour, but sometimes empower employees to make decisions in favour of the customers when management is not available. The results also indicate that WASA does not consider conducting employee research concerning their morale, attitudes and perceived obstacles to provision of quality service, as important. A large percentage of respondents (customers and employees) indicated that WASA sometimes strive to develop close relationships with customers by effective communication between WASA and customers, and between WASA and the community. A large percentage of employees indicated that WASA always communicates its tariffs clearly and concisely to customers, but a large percentage of customers disagreed, indicating that WASA sometimes communicates its tariffs clearly and concisely to customers. (Table 5.3 p. 113)

Twenty-five percent of employees indicated that WASA always execute research projects to establish the needs of potential customers, while twenty-two percent of customers disagreed, indicating that WASA has never executed research projects to establish the needs of potential customers. Twenty-five percent of respondents (customers and employees) indicated that WASA has never customised its product/services based on what they know about customer needs (table 5.3 p. 113). Only a few respondents indicated that WASA always customised its

products and services based on what WASA knows about customer needs. It can be concluded that customers and employees share the same opinion which sketches a very negative picture of WASA.

A large percentage of the respondents (employees and customers) indicated that WASA sometimes communicate changes concerning the products and services to customers in time. Only a few respondents indicated that WASA always communicate changes concerning the product and services to customers in time. This again presents a very negative picture about WASA.

Customers indicated that WASA always improve its response to customer complaint (s) and provide an accurate response to customer queries. Therefore it may be concluded that customer perception of WASA on these aspects is positive.

6.3.1.2 Meter reading

A large percentage of customers in table 5.4 p.119 indicated that they are satisfied with meter readings most of the time but the same percentage of employees indicated that they are not at all satisfied with WASA's meter readings. This sketches a positive picture of customer perception and a negative picture of employee perception. This demonstrates that customers think that WASA's service regarding meter reading is up to standard, while employees think that WASA's services regarding meter reading is not up to standard.

6.3.1.3 Accuracy of bills

A large percentage of customers indicated that they are satisfied with the accuracy of bills most of the time and a few indicated that they are always satisfied with the accuracy of bills. Fifty percent of the employees indicated that they are not at all satisfied with the accuracy of bills. The other 50 percent indicated that they are satisfied with the accuracy of bills most of the time. The results in table 5.5 p. 119 indicate that "always" was not stated by employees. This indicates that customers

have a positive perception and the employees have a negative perception of the accuracy of bills.

6.3.1.4 Response time to pipe bursts and leakage

Table 5.6 p.120 revealed that 58 percent of respondents (customers and employees) indicate that response time to pipe bursts and leakage is reasonable. Thirty percent of customers indicated that the response time to pipe bursts and leakage is good while employees indicated with 34 percent that the response time to pipe burst and leakage is poor. This sketches a positive perception on the customers' side and a negative perception on the employees' side due to the fact that thirty four percent of employees indicated that the response time is poor while thirty percent of customers indicated that response time to pipe burst and leakage is good.

6.3.1.5 Managing the disposal of wastewater/sewerage from house connections

Table 5.7 p. 120 revealed that respondents (customers and employees) regard WASA's services in terms of managing the disposal of wastewater/sewerage from house connections as reasonable. Thirty-two percent of customers indicated that WASA's managing of disposal of wastewater/sewerage from house connections is good while 34 percent of employees disagree, thus indicating that WASA's service in terms of managing the disposal of wastewater/sewerage from house connections is poor. Once again this sketches a positive perception by customers, but a negative perception by employees.

6.3.1.6 The quality of WASA's water

Chapter 4, paragraph 4.6.1.4 p. 107 indicated that the quality of services and products is the key aspect that drives the customer to make choices. Service/product quality means the difference between what the customers expects from the service/product and what the customer perceives from the service (Kotler, et al, 2003: 18). These choices determine how worthy the value of

products/services is perceived to be, and how much the customer is prepared to pay for that value. Customers have different choices customers perceive values in different ways (Mithas, et al., 2005: 203).

The question here is, whether the quality of products/services match the price paid by the customer, from the customer's point of view. If there is a positive relationship between the quality of the products/services and the price paid by the customer, this could lead to customer satisfaction, which may result in customer loyalty and retention (Terblanche, 2006: 35; Terblanche and Boshoff, 2004: 40).

Table 5.8 p. 121 revealed that sixty percent of customers indicated that they are satisfied with WASA's quality of water most of the time, 50 percent of employees agreed that they are satisfied with WASA's quality of water most of the time. Thirty percent of customers indicated that they are always satisfied with WASA's quality of water while 33 percent of employees indicated that they are not at all satisfied with WASA's quality of water. It can be deduced that almost the same percentage of employees as customers disagree, which once again points a very negative picture from the employees' point of view.

6.3.1.7 Water cuts

As indicated in chapter 5 in table 5.9 p. 122, 46 percent of customers indicated that they spend fewer than 2 hours without water while almost the same percentage, 48 percent, spend more than 10 hours without water. From the customers' point of view this reveals a negative picture of WASA. It seems that WASA does not treat its customers equally, which affects the relationship between WASA and its customers negatively.

6.3.1.8 Efficiency in announcing water shortage

Table 5.10 p. 123 indicated that twenty percent of customers believe that WASA is efficient in announcing water shortages, while fifty percent of the employees indicated that WASA is inefficient in announcing water shortages. This reveals

that employees are not satisfied with the efficiency of WASA in announcing water shortages.

6.3.1.9 Reliability of water supply

Although a large percentage of the respondents in table 5.11 p. 123 revealed that the reliability of water supply is moderate and reliable, there were a few respondents who indicated that water supply services are unreliable. It seems that not all respondents are satisfied with the reliability of water supply but generally a positive picture about the reliability of water supply is given.

6.3.1.10 Customer loyalty

As indicated in chapter 5 in table 5.12 p. 124, a large percentage of customers indicated that WASA measure customer loyalty. Thirty-three percent of employees indicated that WASA does not measure customer loyalty. The other 33 percent indicated that they do not know and 25 percent indicated that WASA does not measure customer loyalty. The employees' responses indicated that WASA does not focus on building customer loyalty.

6.3.1.11 Reasons for measuring customer loyalty

According to table 5.13 p. 125, only a small percentage of respondents responded to the question concerning the reason for measuring customer loyalty. Therefore it may be concluded that the respondents have a negative attitude towards WASA. These responses were indicated by management and therefore it seems that WASA does not explain to employees clearly the reasons why WASA should measure customer loyalty.

6.3.1.12 Employee loyalty

Chapter 5, table 5.14 p. 125, revealed that only 42 percent of employees believe WASA measure employee loyalty. Thirty-three percent indicated that WASA do not measure employee loyalty and the other 25 percent indicated that they do not know whether WASA measures employee loyalty or not. It is clear from the results

that WASA will not be able to build and maintain the relationship with its employees if it continues to ignore measuring employee loyalty.

6.3.1.13 Reasons for measuring employee loyalty

The results from table 5.15 p. 126 indicated that a small percentage of employees responded to the question concerning the reasons for measuring employee loyalty. Therefore it can be concluded that employees have a negative impression of WASA concerning the reasons for measuring employee loyalty. It indicates that WASA do not explain the reasons for measuring employee loyalty to its employees, because only a few employees know the reasons.

6.3.1.14 Employee recognition.

Unless WASA recognises that its employees are the most important tools to make customers happy and to achieve the objectives/goals that are set by management, WASA will not be able to keep its customers happy. It is therefore important to improve the quality of relationships between management and other employees in order to keep customers satisfied, loyal and committed to WASA.

6.3.1.15 Employee satisfaction

For WASA to be able to satisfy its employees, it is important for WASA to measure the level of service given to the internal customers (employees) regularly and in different ways, in this way WASA will be able to monitor any changes in employee perceptions, attitudes and expectations.

Results from figure 5.4 p. 142 indicated that WASA do not measure employee satisfaction. Only a small percentage of employees indicated that WASA measures employee satisfaction. This sketches a negative picture of WASA's attitude towards employee satisfaction.

6.3.1.16 Definition of CRM

In table 5.17 p. 127 a large percentage of customers indicated that excellent service to customers' external and personal customer attention defines CRM. Only a few customers indicated that excellent service to customers' internally (employees) defines CRM. Half of the employees also indicated that excellent service to customers external defines CRM and half indicated that external service to customers internally (employees) defines CRM. The results also revealed that none of the employees think personal customer attention defines CRM, which is a concern. As stated in chapter 2, paragraph 2.1 p. 15. "... The fundamental purpose of CRM is to build relationships effectively with customers by understanding them better" (Fitzgibbon and White, 2005: 216). Therefore if employees indicate that personal customer attention does not define CRM, they do not understand all the aspects of the fundamental purpose of CRM. It can then be concluded that it is important to train employees about the importance of knowing and understanding all the aspects which may define CRM.

6.3.1.17 The importance and reasons behind the CRM strategic directions in the workplace

Figure 5.1 p. 128 revealed a very positive picture regarding the importance and reasons behind the CRM strategic direction(s) in the workplace. Almost all the respondents indicated that they understand the importance and reasons behind the CRM strategic direction (s) in the workplace. Only a few indicated that they do not understand the importance and reasons behind CRM strategic direction (s) in the workplace.

6.3.1.18 Instruments used to measure CRM

Customers indicated that WASA mostly use two instruments to measure CRM, while employees indicated that WASA use four instruments to measure CRM. Rate of complaints and follow-up efforts (after sales care) was indicated by a small percentage of the customers and a large percentage of the employees. The

conclusion is that WASA will not be able to develop close relationships with its customers if they only use a few instruments to measure CRM.

6.3.2 Determination of customer satisfaction by WASA

Conclusions were reached about the determination of customer satisfaction by WASA. As discussed in chapter 5, there are a number of imperfections that should be addressed by the top management of WASA. They are as follows:

6.3.2.1 Building good customer relations

As stated in paragraph 5.5 p.130 the aim of section C of the questionnaires (Appendix E and F) was to determine if WASA consider customer service an important tool to be used to ensure high levels of customer satisfaction, which can affect the relationship between the customers and WASA.

Table 5.19 p. 130 revealed that one hundred percent of customers and employees agree that building good customer relationships results in customer satisfaction. It may be concluded that all respondents regard building good customer relationships as imperative.

6.3.2.2 Good quality customer service

Table 5.20 p. 132 revealed that a large percentage of customers regard professional appearance of WASA's employees as always providing good quality customer service. Only a small percentage of employees agreed that professional appearance of WASA's employees always provide good quality customer service. To conclude, WASA's management may reconsider the professional appearance of WASA's employees because customers think that it provides good quality customer service but employees disagree.

Forty-seven percent of customers indicated that to be friendly and supportive to customers provide good quality customer service, but only a small percentage of employees agreed with this. It is therefore a concern that only twenty-five percent

of employees indicated that to be friendly and supportive to customers always provide good quality customer service. This sketches a negative picture of employees. A large percentage of respondents indicated that WASA sometimes provide good quality customer service through individual and personal attention to each customer.

6.3.2.3 Response to customer queries

Table 5.22 p. 133 revealed that almost all the respondents agree that WASA respond to customer queries, even though a large percentage of customers indicated that they are somewhat satisfied while one hundred percent of employees indicated the same response. Only a few customers indicated that they are completely satisfied, while none of the employees indicated that they are completely satisfied with the response time to customer queries. Once again it can be concluded that employees sketches a very negative picture of WASA concerning the response time to customer queries. This could affect the relationship between WASA and customers in a negative way.

6.3.2.4 Importance of building customer satisfaction

As indicated in chapter 3, paragraph 3.1 p. 61, effective CRM implementation is dependent on customer satisfaction and customer services. In other words, these are the most fundamental factors to be considered by WASA when implementing CRM. Customer satisfaction and customer service do not simply entail providing good service, but also critically providing a service which is appropriate and carefully matched to individual customer expectations, and ability to pay for the desired level of services (Gouws, et al., 2006: 285). The results of this study indicate that some, but not all customers are satisfied. This points positive picture of WASA, although the management do not think WASA provide good quality service to its customers. WASA should continue working hard to keep its customers satisfied (table 5.23 p. 135).

6.3.2.5 WASA's service delivery

Table 5.24 p. 137 indicated that thirty-nine percent of customers are very satisfied while only sixteen percent of employees indicated that they are very satisfied with WASA's efficiency in working directly with customers. A large percentage of employees remarked that they are somewhat satisfied with WASA's efficiency of working directly with customers. It is a concern that only a few employees and a few customers are very satisfied. Half of the customers are very satisfied with WASA's friendliness over the telephone, while only a quarter of the employees are very satisfied with the way they communicate with customers over the phone.

6.3.2.6 Measuring customer expectations concerning the quality of customer service delivery

Ninety-five percent of customers in figure 5.2 p. 138 indicated that WASA measures customer expectations. Only a few customers indicated that WASA do not measure customer expectations. Half of the employees indicated that WASA do not measure customer expectations and the other half indicated that WASA measures customer expectations. It is a concern that only half of the employees indicated that WASA measure customer expectations.

(a) Instruments used to measure customer expectations

Results from table 5.25 p. 139 revealed that customers indicated that WASA mostly uses two instruments to measure customer expectations, which are a customer suggestion box and questionnaires. Employees indicated that WASA mostly uses three instruments to measure customer expectations. It is a concern that half of the employees indicated that WASA do not measure customer expectations, but indicated the instruments used to measure customer expectations.

6.3.2.7 Instruments used to measure employee expectations

Table 5.26 p. 141 revealed that WASA mostly uses one instrument which is rate of employees' complaints. Other instruments are less considered. The conclusion could be that WASA will not be able to develop a close relationship with its employees if they do not consider using other instruments to measure employees' expectations.

6.3.2.8 Employee satisfaction

Figure 5.4 p. 142 indicated with a large percentage that WASA does not measure employee satisfaction. For WASA to be able to satisfy its employees, it is important for them to measure the level of the service given to employees, regularly and in different ways. The reason for these measurements is to monitor any change in employee perceptions, attitudes and expectations.

6.3.2.9 Customer satisfaction

Almost three quarters of the employees in figure 5.5 p. 143 indicated that WASA measures customer satisfaction. Only one quarter indicated that WASA does not measure customer satisfaction. This gives a positive picture of WASA in terms of measuring customer satisfaction.

(a) Instruments used to measure customer satisfaction

Table 5. 27 p. 143 revealed that WASA mostly uses only three instruments to measure customers' satisfaction. Other instruments are considered less to measure customer satisfaction. The conclusion is that WASA will not be able to satisfy its customers if only a few instruments are used to measure customer satisfaction.

6.3.3 Relationship marketing (RM) and customer service

The following conclusions were drawn regarding the role of relationship marketing as an important tool when implementing CRM strategies:

6.3.3.1 Aspects to be considered when building customer loyalty

Table 5.28 p. 145 revealed that only a few customers are very satisfied with the corrective actions that are implemented when customers are unhappy with the quality of the products/services. A large percentage of employees indicated that they are somewhat satisfied with the corrective actions implemented immediately when the customers are unhappy with the quality of the products/services. It is a concern that zero percent of employees are not very satisfied and eighty three percent of employees are sometimes satisfied. It will not be easy for employees to build effective customer loyalty if they do not consider these corrective actions as important aspects. Only a few customers indicated in table 5.28 p. 145 that they are very satisfied that employees are well trained to turn possible negative interaction into a positive experience. A small percentage of employees also indicated that they are very satisfied that employees are well trained to turn possible negative interaction into a positive experience.

6.3.3.2 Cost of water supply

A large percentage of customers in table 5.29 p. 147 indicated that the cost of water supply is acceptable. Only thirty-three percent of employees indicated that the cost of water supply is acceptable. The highest percentage of employees indicated that the cost of water supply is somewhat expensive. Twenty-five percent of employees indicated that that the cost of water supply is too expensive, zero percent of customers indicated that the cost of water supply is not too expensive. The conclusion is that customers are positive about the cost of water supply. Employees are negative about the cost of water supply.

6.3.3.3 Cost of sewerage collection

A large percentage of customers and employees in table 5.30 p. 147 indicated that the cost of sewerage collection is acceptable. This is a positive aspect that employees and customers agree that the cost of sewerage collection is acceptable.

6.3.3.4 WASA's willingness to serve customers

A large percentage of customers and employees in table 5.31 p. 148 indicated that they are satisfied with WASA's willingness to serve customers most of the time. Only twenty percent of customers indicated that they are always satisfied with WASA's willingness to serve customers, while forty two percent of employees are not at all satisfied with WASA's willingness to serve customers. This points a positive picture from the customers' point of view and a negative picture from the employees' point of view about WASA's willingness to serve customers.

6.3.3.5 Follow up efforts

Sixty-eight percent of employees in table 5.32 p. 149 and fifty percent of customers indicated that they are satisfied with WASA's follow up efforts after they have completed their work most of the time. Fifty percent of customers indicated that they are not at all satisfied with the follow-up efforts after they have completed their work. Twenty percent of employees are always satisfied with the follow-up efforts and 20 percent are not. Zero percent of customers indicated that they are not always satisfied. This indicates that follow up efforts from the customers' point of view are not bad, since they are satisfied, but employees think that follow up efforts are not good.

6.3.4 Overall performance

Areas suggested for improvement from table 5.33 p. 151 were discussed in chapter 5. One may conclude the following:

One hundred percent of employees indicated that training of employees regarding customer care needs to be improved. Eighty-three percent of employees indicated that the accuracy of meter reading needs to be improved. Seventy-five percent of employees indicated that there is a need for improvement in the following: response time to customer complaints, announcements prior to water cuts as well as shortage and accuracy of bills. Sixty-seven percent of employees indicated that response time to pipe bursts and leakage needs to be improved. Quality of

water received the highest percentage from customers (sixty-four percent), which also needs to be improved. Fifty-eighty percent of employees indicated that the reliability of water supply and friendliness over the telephone need to be improved. Customer satisfaction is a concern and it is clear that employees are not satisfied with WASA's overall service delivery. Therefore one may conclude that there is a positive perception, but a negative employee perception.

6.3.5 Overall conclusion

To develop relationships with customers, employees and the community, there should be a strategic way of implementing CRM because without a strategic implementation of CRM there can hardly be any effective development and achievement in WASA. CRM is one of the most important management tools because it can accommodate the contribution of people in the development of the product/services. It also focuses on the individual motivation of employee relationships and the proper use of resources.

6.4 RECOMMENDATIONS

For WASA to be able to implement CRM strategies effectively, many aspects need to be considered as important tools by WASA. Aspects such as customer satisfaction, employee satisfaction and relationship marketing need to be addressed. The researcher therefore proposes the following recommendations in order to help WASA to implement CRM strategies effectively and correctly.

6.4.1 Customer relationship management

The recommendations regarding customer relationship management are as follows:

6.4.1.1 Implementation of CRM

There must be continuous communication between WASA and its customers, between WASA as well as its employees and between WASA and the community.

It is only through effective communication that WASA will be able to know and understand the needs, wants and expectations of customers, employees and the community. Meetings and workshops should serve to enhance the communication process.

WASA should conduct customer satisfaction and employee satisfaction surveys. These surveys should focus on improving and maintaining customer and employee relationships. The focus should also be on processes to satisfy the needs, wants and expectations of customers, and employees.

WASA should communicate the importance of employee commitment and trust to employees. The importance of commitment and trust should be communicated through the training of employees and employee workshops. This would make employees feel important to WASA and that they are needed to provide good quality service to customers. If employees understand the importance of commitment and trust, they will strive to work hard to achieve the objectives and goals of WASA. These objectives and goals include delivering good quality service to customers and satisfying them.

The results indicated that WASA sometimes empower its employees. WASA should always empower its employees to make the right decisions concerning customer complaints, queries and requests. This can be done by giving employees the right to act promptly on customer requests, queries and complaints without having to obtain the approval of management before responding to customers' complaints, queries and requests. For employees to be empowered they need to be trained to make the right decision on their own when necessary. For WASA's employees to be fully committed to WASA and to be motivated to provide good quality service to customers, they need to be rewarded. Employee rewards should be linked to customer centred behaviour. This means that the rewards for employees should be based on their performance. Employees should

be rewarded by increasing their salaries, granting commissions, bonuses and by promotions.

WASA should improve the response to customer complaint(s) and provide an accurate response to customer queries. WASA should be able to improve in this area by establishing and promoting information technology (IT), hot lines and a website address, which are customer friendly. In this way WASA should be able to determine the cause of customer complaints and provide an accurate response as fast as possible, rather than allowing customers the opportunity to complain. In addition, also help WASA to create solutions to customer problems in time.

6.4.1.2 Meter reading

WASA should provide training in meter reading to responsible employees. Many employees have the tendency of using estimated readings because they are too lazy to check the correct readings. This affects the relationship between WASA and its customers. Owing to this poor performance customers are either being over charged or under charged. Therefore WASA has to be very strict regarding meter reading.

6.4.1.3 Accuracy of bills

Results from table 5.5 p. 119 reveal that almost half of the customers and employees are satisfied with WASA's accuracy of bills most of the time. Fifty percent of employees are not at all satisfied with WASA's accuracy of bills. If WASA wants to satisfy its customers, WASA should improve the accuracy of bills. In addition, WASA should investigate the reason for the slow response time on customer bills.

6.4.1.4 Response time to pipe bursts and leakage

WASA should be always ready to respond to complaints about pipe bursts and leakages. This could save a lot of water and WASA may regain customer trust by attending to complaints immediately.

6.4.1.5 Managing the disposal of wastewater/sewerage from house connections

The results from chapter 5 revealed that most customers indicated that WASA is reasonable in terms of managing the disposal of wastewater/sewerage collection. WASA should always strive to respond to this aspect as soon as possible, to prevent endangering the lives of the people or the community. If not attended to immediately, the relationship between WASA and the community as well as customers may be destroyed.

6.4.1.6 The quality of WASA's water

WASA should ensure that the quality of water is based on what WASA know about the customer needs and expectations in terms of the quality of water. It is therefore important for WASA to determine what information from customers is important to ensure the quality of water. WASA should be aware that the quality of water is the key aspect in customers choosing to buy or not to buy the product. Therefore WASA should investigate the, purification process further there is a problem.

6.4.1.7 Water cuts and the efficiency of announcing water shortage

WASA have to understand that the above are very sensitive issues which may destroy, build or maintain the relationship between WASA and its customers. If water supply disruptions are announced well in advance, customers could make provision to have enough water to last them, instead of spending more hours without water owing to poor or rare announcements of water shortage. WASA has to consider using different radio stations in Maseru, and advertising on television to make people aware of water shortage. WASA should also send SMS's to customers to notify them of water shortages. These SMS's should be personalised and sent to individuals according to the individual needs.

6.4.1.8 Reliability of water supply

The reliability of water supply has a strong influence on customer expectations therefore WASA should ensure that water is available when needed by customers. This could maintain a good relationship between WASA and its customers. If WASA could attend to the issue of pipe bursts quickly, WASA could save much water and afford to supply its customers with water when needed.

6.4.1.9 Customer loyalty

As indicated in chapter 4.6.1.5 p. 108, customer loyalty is the outcome of effective CRM applications. Therefore there are several aspects to be considered by WASA's management if WASA wants to satisfy its employees and ensure customers to be loyalty. The aspects include the following:

(a) Problem solving

WASA should show interest in solving customer's problems, and should be willing to handle complaints. When the customer complains to WASA, the customer is presenting WASA with an opportunity to collaborate in solving those problems, therefore it should be easy for customers to lodge complaints.

(b) Customised product

For WASA to ensure both a high quality and high value product, WASA should consider the customer's contributions as important. New ideas and suggestions from customers should be used for product improvement or in the production of products. Customers' ideas and suggestions may help WASA to customise its service/products.

(c) Individual and personal attention to each customer

Customers are unique and need different things from WASA, therefore, customers expect to be treated differently. WASA need to clearly understand the different needs, wants and expectations of customers.

(d) Customer satisfaction survey

WASA's organisational structure should include a marketing department. The marketing department's responsibilities ensure that the service delivery to the customer is of the best quality, in order to improve the relationship between the organisation and its customers. By conducting a customer satisfaction survey WASA would be able to determine if customers are satisfied or not satisfied with the products/services offered to them. The results of marketing research will give an indication of whether the organisation is achieving its objective of satisfying its customers or not. The researcher therefore recommends that WASA should use customer satisfaction surveys often, by means of different instruments such as:

- ❖ customer questionnaires;
- ❖ customer suggestion box;
- ❖ telephone questionnaires.

6.4.1.10 Employee loyalty

It is important to determine if employees are loyal or not loyal to WASA. The purpose of doing this is to check if employees are satisfied because if they are not satisfied, they will not be loyal to WASA. Other reasons for measuring employee loyalty should include the following: to reward loyal employees and maximizing profit. If employees are loyal to WASA, they will strive to work hard to make customers happy; if customers are happy, they will pay their bills, which in turn will increase profit. The following methods can be used to determine if employees are loyal or not loyal:

- ❖ employee questionnaire;
- ❖ employee suggestion box;
- ❖ employee meetings and workshops.

WASA's management should explain the reasons for measuring employee loyalty to employees.

6.4.1.11 Employee recognition and satisfaction

It is indicated in chapter 5 that WASA recognises its employees. WASA should continue to recognise employees' good and bad performance. This may help WASA to improve its productivity. Employees will also feel encouraged if they are recognised by management for providing good quality service to customers. Management could recognise employees' good performance through incentives and rewards, such as bonuses and salary increases.

6.4.1.12 Definition of CRM

The results from chapter 5 indicated that employees are not well trained about CRM. WASA should make sure that every employee understands the purpose of CRM in WASA. This can be done by training employees or conducting workshops on CRM. Aspects to be considered in the definition of CRM during training or workshops are as follows:

- ❖ excellent service to customers;
- ❖ excellent service to employees;
- ❖ personal customer attention;
- ❖ quick response to customer queries, complaints and requests.

The purpose of defining CRM should be based on the above mentioned aspects, if WASA want to implement CRM effectively.

6.4.1.13 The importance and reasons behind the CRM strategic direction (s) in the workplace

WASA should make its employees aware of the importance and reasons behind CRM strategic direction(s) in the workplace. When educating employees, WASA should emphasis the fact that if CRM is implemented effectively and correctly, it should benefit WASA, the employees and the customers, since WASA would be able to maximise its profit. If profit is maximized, there could be opportunities for salary increments, promotions and bonuses, for employees and the customers will

also be satisfied with the product/services that they receive from WASA. WASA must show its employees how all stakeholders will benefit from the effective implementation of CRM.

6.4.1.14 Instruments used to measure CRM

For WASA to get accurate measurements about CRM, WASA should consider using a wide variety of instruments to measure CRM. Such instruments could include the following:

- ❖ A customers' hot line.

A toll free number should be available to customers to give their ideas on CRM. WASA should also use this toll free number to follow up after customers have lodged their complaints and requests. It will enable WASA to give customers' feedback on their complaints and requests.

- ❖ Questionnaires could assist in getting useful information from customers. Customers may be asked to give ideas on what they think defines CRM.
- ❖ Suggestion boxes could evoke important ideas about product/services from customers.

6.4.2 Determination of customer satisfaction by WASA

The recommendations regarding determination of customer satisfaction by WASA are as follows:

6.4.2.1 Building good customer relations

It is important that WASA continues to build and maintain its relationship with customers by effective communication with customers. Communication with customers should be affected through daily contact with customers, such as telephone interaction, meetings and workshops.

6.4.2.2 Good quality customer service

WASA should provide good quality customer service by considering the following aspects:

- ❖ responding quickly to customer requests;
- ❖ customising WASA's product and services;
- ❖ creating solutions to customers' problems;
- ❖ regular contact and interaction with customers;
- ❖ focusing on customers' complaints, needs, wants and expectations.

6.4.2.3 Response to customer queries

Most of the respondents indicated that they are somewhat satisfied with the response time to customer queries. WASA needs to improve the ways of responding to customer queries. The latter could be improved by attending to queries and giving feedback to customers immediately.

6.4.2.4 WASA's service delivery

The results in chapter 5 indicate that the overall percentage of customers are satisfied with WASA's service delivery, but employees are not satisfied. WASA should therefore investigate why customers are satisfied and employees are not satisfied with WASA's service delivery.

6.4.2.5 Measuring customer expectations concerning the quality of customer service delivery.

For WASA to be able to collect useful data from customers concerning the quality of customer service delivery, WASA should use various ways to collect data, namely, rate of complaints, suggestion box, customer hot line, follow up efforts and customer satisfaction surveys. It is important for WASA to first understand what types of data should be collected from customers. This means that data collected from customers should define customer needs, wants and expectations on services or products as well as customers' suggestions on product/services.

6.4.2.6 Measuring employee expectations concerning the quality of service delivery

The results in chapter 5 indicate that WASA does not measure employee expectations. WASA should measure employee expectations to get useful information on the quality of service delivery. Employees interact with customers on a daily basis, which enable them to determine what customers want or expect from WASA. WASA should also consider other ways of measuring employee expectations such as employee questionnaire, rate of complaints and employee suggestion boxes. If more instruments are used, it will be much easier to determine what employees expect from WASA concerning customer needs, wants and expectations. The data collected from employees should define employees' expectations based on what employees know about the product/service performance, transactions, billings and payments.

6.4.2.7 Employee satisfaction

The results in chapter 5 indicate that WASA does not measure employee satisfaction. If WASA wants to satisfy customers it first has to satisfy its employees. WASA has to ensure that employees are satisfied by creating a working environment that enhances communication between top management and other managers, as well as the communication between management and other employees. Empowering employees through training and workshops can also improve employee satisfaction. The higher employee satisfaction, the better employee performance will be in delivering a good quality service to customers. Employees are WASA's internal customers; if employees are satisfied, it will enable them to satisfy customers by providing good quality service.

(a) Instruments used to measure employees satisfaction

WASA should use various instruments such as measuring employees' rate of complaints, providing employee suggestion boxes, and utilising employee surveys,

in order to collect information that will indicate if employees are satisfied or not satisfied.

6.4.2.8 Customer satisfaction

Making customers happy is the primary objective of every organisation and should be for WASA as well. The results from chapter 5 indicate that WASA do measure customer satisfaction. WASA should continue measuring customer satisfaction because it is the only way to build and maintain effective relationships between WASA and their customers. Making customers happy should involve many aspects, such as product improvement, good product performance and the availability of product/service when needed by customers. All employees need to be trained in all aspects that concern customers, such as customer care, billing, meter reading and reasonable costs for product and services.

(a) Instruments used to measure customer satisfaction

To enable WASA to get accurate information about customers various instruments need to be used, such as customer satisfaction surveys, which help to measure the satisfaction of the customers regularly. The questions in customer satisfaction surveys should include the service or product performance, the cost of the product or service, employee performance and the value of the product as perceived by customers. Customer suggestion boxes and the rate of complaints should also be considered by WASA. It should be easy for customers to lodge complaints to WASA and give suggestions concerning product or service improvement. As such toll free numbers, web sites and e mails where customers are able to lodge their complaints should be available.

6.4.3 Relationship marketing (RM) and customer service

The following recommendations are made regarding the role of relationship marketing as an important tool is implementing and applying CRM strategies effectively and correctly:

6.4.3.1 Building customer loyalty

Results from chapter 5 indicate that only a few employees are satisfied with the implementation of corrective actions when customers are unhappy with the product/services. WASA should implement corrective actions immediately when customers are unhappy with the product/service. WASA should understand that customer loyalty is the outcome of effective CRM application and employee performance. WASA should also consider the following aspects when considering the importance of building customer loyalty:

- ❖ Employees should never be too busy to respond to customers.
- ❖ Customers should not feel neglected by employees when they lodge their complaints.
- ❖ Customers should be given individual attention.
- ❖ Employees should treat customers with a warm and caring attitude.
- ❖ Employees should show an understanding when the customers are not satisfied with the product/services.

For WASA to be able to achieve all the mentioned aspects, WASA should train employees on customer service in order for them to turn negative interactions into positive experiences, and to provide good quality service.

6.4.3.2 The cost of water supply and sewerage collection from house connection

As indicated in chapter 5, customers find the cost of water supply and sewerage collection acceptable. This demonstrates that customers' perception is positive regarding the cost of product/service. WASA should therefore strive to continue maintaining this relationship between WASA and customers.

6.4.3.3 WASA's willingness to serve customers

WASA should always be willing to serve customers, not most of the time, as indicated from the results in chapter 5. Customers need to be served when there

is a need. If employees are well trained, they will always be willing to serve customers every complaint, query or any aspect which may involve products/services. The above needs to be addressed more vigorously, by way of educating the public. It is therefore recommended that media campaigns be carried out to educate customers about WASA's services/products and willingness to serve customers. At the point of sale it is also important that employees communicate WASA's willingness to serve customers.

6.4.3.4 Follow up efforts

When dealing with customers' queries, complaints and customer service, WASA at some stage will have to do follow to keep customers informed about the progress that has been made. Follow up could be done by calling customers and conducting workshops with customers and visiting customers. Employees who are responsible for meter reading should be the ones explaining important aspects to customers on a monthly basis. These employees need to be trained.

6.4.4 Recommendation concerning the overall performance of WASA

The study has revealed that one of the most important roles of CRM is communication, either with employees, customers or the community. Therefore the researcher recommends that all objectives and strategies of CRM should be based on the concept of customer and employee satisfaction. Concerning the overall performance of WASA, the following areas should be improved:

- ❖ training of employees on customer care;
- ❖ accuracy of meter reading;
- ❖ response time to customer complaints;
- ❖ announcement prior to water cuts and shortage;
- ❖ accuracy of bills;
- ❖ response time to pipe burst and leakage;
- ❖ quality of water.

6.4.5 Recommendations for future research

- ❖ Ideally, a similar study should be conducted that includes a national sample of WASA and which incorporate management, other employees and customers, to investigate whether or not the variables identified in the literature are significant.

- ❖ Research should be done to determine the reasons why customers are satisfied with WASA's service delivery and employees are not satisfied.

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APPENDIX A

**AN APPLICATION LETTER TO WASA
TO CONDUCT THE RESEARCH STUDY**

ON THE

5 JULY 2007



Central University of
Technology, Free State

CENTRAL UNIVERSITY OF TECHNOLOGY, FREE STATE
SENTRALE UNIVERSITEIT VIR TEGNOLOGIE, VRYSTAAT
YUNIVESITHI E BOHARENG YA THEKENOLOJI, FOREISTATA

JB MAFORA
58222
ROCKLANDS LOCATION
BLOEMFONTEIN 9300

05 - SEPTEMBER – 2006

CELL NO: 0839486566

THE MARKETING MANAGER
MR MAKHELE MALIEHE
WATER AND SEWERAGE AUTHORITY (WASA)
P.O. BOX 426
MASERU
LESOTHO 100

DEAR MR MAKHELE

CUSTOMER RELATIONSHIP MANAGEMENT TO IMPROVE WATER AND SEWERAGE AUTHORITY (WASA) SERVICE DELIVERY IN MASERU LESOTHO.

I am very much interested in researching how WASA implement and applying CRM strategies, and I am interested in using the company's name in my project, hence this proposal.

I completed National Diploma in Marketing in 2005, and completed B Tech Degree of the said programme in 2006, and as mentioned above my aim is to continue with Masters Degree this year as soon as WASA allow me.

Copy of my Research Proposal is enclosed, for your review. In addition to the chapters' layout from the Research Proposal, the questionnaires will help evaluate customer perceptions and whether those customers are consistent with those that WASA creates. The objectives and problem statement to be researched are also included in Research Proposal for your consideration. I greatly hope that this project will make an important contribution in WASA in Maseru Lesotho.

It is my hope that the results of this survey, the recommendations, as well as the conclusion will be very valuable for enhancing the efficiency of WASA in Maseru. I am willing to visit your office again for the discussion of this project, and clarification of any issues pertaining to this humble request.

Thank you for your attention to these materials. I am looking forward to hear from you in the near future. I will appreciate If you can schedule a meeting at your convenience time and place. I hope to learn more about WASA and how my project might contribute to the success of WASA in future.

Yours Sincerely

Nthabiseng Bereng

APPENDIX B

RESPONSE LETTER FROM WASA

ON THE

JULY 2007



WATER AND SEWERAGE AUTHORITY

P.O. Box 426 • Maseru 100 • Lesotho • Tel.: (+266) 2231 2449 • Fax: (+266) 2231 0006 • (+266) 2231 3791 • E-mail: info@wasa.co.ls

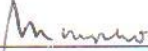
11th October 2006

Bereng Nthabiseng
Heruma Hof Flat
19 Crause Street
Room 9B
Bloemfontein 9300

Customer Relationship Management

We greatly appreciate that you have the desire to conduct a research on WASA; the result of which we also believe would greatly benefit the organization. WASA gives you the permission to conduct the research and we will offer you all possible assistance throughout this challenging, but important activity.

Yours faithfully


Justice Lira Mohosho (Mr)
Chief Executive (a.i.)

APPENDIX C

THE REQUEST

TO ALL THE

RESPONDENTS TO COMPLETE

THE FOLLOWING

QUESTIONNAIRES



Central University of
Technology, Free State

CENTRAL UNIVERSITY OF TECHNOLOGY, FREE STATE
SENTRALE UNIVERSITEIT VIR TEGNOLOGIE, VRYSTAAT
YUNIVESITHI E BOHARENG YA THEKENOLOJI, FOREISTATA

FUCULTY OF MANAGEMENT SCIENCES
SCHOOL FOR ENTEPRENEURSHIP AND BUSINESS DEVELOPMENT

THE REQUEST TO COMPLETE QUESTIONNAIRES

Dear respondents,

An investigation into the application of Customer Relationship Management in Water and Sewerage Authority (WASA).

You are kindly requested to complete these questionnaires.

The aim of this study is to improve WASA's service delivery to its customers.

There are no right or wrong answers, so please feel free to indicate what you really know about WASA. The researcher will help you complete the questionnaires.

You are assured that your responses will be kept completely confidential.

Should you wish to clarify something concerning this research, I am available at any time convenient to you and can be reached at the following numbers: **0839486566**.

Thank you in anticipation

NTHABISENG BERENG. M. TECH. MARKETING. (STUDENT) CUT

MR A. P. ROUX. SUPERVISOR. CUT

APPENDIX D

WASA'S CUSTOMERS

QUESTIONNAIRE

WASA CUSTOMERS' QUESTIONNAIRE

NOVEMBER

2009

WASA CUSTOMER'S QUESTIONNAIRE - SECTION A TO E

AN INVESTIGATION TO DETERMINE IF WASA IMPLEMENT AND APPLY CUSTOMER RELATIONSHIP MANAGEMENT (CRM) STRATEGIES EFFECTIVELY AND CORRECTLY

For the following questions or statements of section **A** to **E**, please tick or indicate with **x** the box that corresponds to the word (s) that reflect (s) the extent to which the statement/question applies to you

Section A- WASA's Customers

1.1 Please indicate the type of the product (s) services (s) you receive from WASA. (You may tick more than one)

- 1.1.1 Domestic water supply
- 1.1.2 Business water supply
- 1.1.3 Sewerage collection

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

FOR OFFICE USE ONLY

1
2
3

SECTION B - CUSTOMER RELATIONSHIP MANAGEMENT IN WASA

CRM focuses on assuring effective relationships between management, employees, customers, and the community. CRM helps the organization to indicate and manage the changes which may arise from time to time.

CRM can be considered as one of the key drivers of WASA's services.

2.1 WASA constantly strive to develop close relationships with its customers. How?

- | Statement | Never | Sometimes | Always |
|---|-------|-----------|--------|
| 2.1.1 By effective communication between the employees and customers. | | | |
| 2.1.2 By effective communication between WASA And the community. | | | |
| 2.1.3 By communicating changes concerning the products and services in time. | | | |
| 2.1.4 By communicating tariffs clearly and concisely with its customers. | | | |
| 2.1.5 By executing research projects to establish the needs of potential customers | | | |
| 2.1.6 By customizing WASA's product / services based on what WASA knows about the customers needs | | | |
| 2.1.7 By creating solutions for customer's problems | | | |
| 2.1.8 By improving the response to customer's complaints. | | | |
| 2.1.9 By providing the accurate response to customer's queries. | | | |

Never	Sometimes	Always

4	5	6
7	8	9
10	11	12
13	14	15
16	17	18
19	20	21
22	23	24
25	26	27
28	29	30

2.2 In your opinion how efficient is WASA in announcing water shortage and other problems concerning water supply?

- 2.2.1 Inefficient
- 2.2.2 Reasonably efficient
- 2.2.3 Efficient

31
32
33

2.3 How would you rate the reliability of WASA's water supply services?

- 2.3.1 Unreliable
- 2.3.2 Moderate
- 2.3.3 Reliable

34
35
36

2.4 I am completely satisfied with WASA's meter reading.

- 2.4.1 Not at all
- 2.4.2 Most of the time
- 2.4.3 Always

37
38
39

2.5 I am completely satisfied with WASA's accuracy of bills.

- 2.5.1 Not at all
- 2.5.2 Most of the time
- 2.4.3 Always

40
41
42

2.6 In your experience, how would you rate WASA's service in terms of response time to pipe burst.

- 2.6.1 Poor
- 2.6.2 Reasonable
- 2.6.3 Good

43
44
45

2.7 How good is WASA's service in terms of managing the disposal of wastewater/sewerage from house connection?

- 2.7.1 Poor
- 2.7.2 Reasonable
- 2.7.3 Good

46
47
48

2.8 The quality of WASA's water is very good and I am happy with it

- 2.8.1 Not at all
- 2.8.2 Most of the time
- 2.8.3 Always

49
50
51

2.9 Does WASA measure customer's loyalty with regards to quality service offered?

- 2.9.1 Yes
- 2.9.2 No
- 2.9.3 Don't know

52
53
54

2.10 If the answer is yes indicate the reason why WASA is measuring customer's loyalty? (Indicate more than one if applicable).

- 2.10.1 To reward loyal customers
- 2.10.2 To maximize profit
- 2.10.3 To influence customer's behavior
- 2.10.4 To generate customer's information
- 2.10.5 Other (specify).....

55
56
57
58
59 60 61 62

2.11 Based on the knowledge that you have on CRM, indicate which of the following defines CRM? (Indicate more than one if applicable).

- 2.11.1 Excellent service to customers external
- 2.11.2 Excellent service to employees
- 2.11.3 Personal customer attention

63
64
65

- 2.11.4 Other (specify).....
- 2.12 Indicate which of the following measurements are used to measure the quality of service (s) or product (s) offered to the customers.
(Indicate more than one if applicable)
- 2.12.1 Customer's hot line
- 2.12.2 Follow-up efforts (after sale care)
- 2.12.3 Rate of complaints
- 2.12.4 Questionnaire
- 2.12.5 Customer's suggestion box
- 2.12.6 Other (specify).....

66	67	68	69
70			
71			
72			
73			
74			
75	76	77	78

SECTION C - CUSTOMER SATISFACTION AND CUSTOMER SERVICE

Customer satisfaction can be defined as the perceived experience of the product / service performance by customers. Implementing a total customer satisfaction programme requires the organization's total commitment. An organization's total commitment involves employee's commitment to customers, and measuring of customer satisfaction regularly, which is known as marketing research (Yang and Peterson, 2004: 803 - 804).

- 3.1 Building good customer relationship results in customer's satisfaction
 - 3.1.1 No
 - 3.1.2 Yes
- 3.2 Does WASA provide good quality customer service by:
Statement
- 3.2.1 Individual and personal attention to each Customer
- 3.2.2 Friendliness and supportive to customers
- 3.2.3 Professional appearance of WASA's employees
- 3.3 WASA responds to customer queries
 - 3.3.1 No
 - 3.3.2 Yes
- 3.4 Based on the answer that you gave in 3.3, how do you rate WASA's response time to customer queries?
 - 3.4.1 Not satisfied
 - 3.4.2 Somewhat satisfied
 - 3.4.3 Completely satisfied

79		
80		
81	82	83
84	85	86
87	88	89
90		
91		
92		
93		
94		

- 3.5 Please rate WASA on the following statements:
Statement
- 3.5.1 WASA believes in customer satisfaction
- 3.5.2 WASA enforces the principles of customer Satisfaction
- 3.5.3 WASA's management correctly implement the organization's policies and procedures which may affect customer's satisfaction.
- 3.5.4 Professional appearance of WASA's management is a major contributor to customer Satisfaction

Never	Sometimes	Always
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

95	96	97
98	99	100
101	102	103
104	105	106

3.6 How do you rate WASA's service delivery

with reference to the following statements:

Statement

Not satisfied	Somewhat satisfied	Very satisfied

3.6.1 Friendliness over telephone

3.6.2 Efficiency of working directly with customers

107	108	109
110	111	112

3.7 Does WASA measure the expectations of customers concerning the quality of customer service delivery?

3.7.1 No

3.7.2 Yes

3.8 Indicate which of the following instruments are used to measure customer expectations concerning the quality of customer service delivery (indicate more than one if applicable)

3.8.1 Customer's hot line

3.8.2 Follow-up efforts (after sale care)

3.8.3 Rate of complaints

3.8.4 Questionnaire

3.8.5 Customer's suggestion box

3.8.6 Other (Specify).....

3.9 Normally how long do water cuts take?

3.9.1 Less than 2 hours

3.9.2 Between 2 hours to 6 hours

3.9.3 Between 6 hours to 10 hours

3.9.4 More than 10 hours

113
114

115
116
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121	122	123
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124
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126
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SECTION D - RELATIONSHIP MARKETING (RM) AND CUSTOMER SERVICE

RM is the process by which marketing management builds long term relationships with its customers, for the purpose of increasing the profitability of the organization by formulating and implementing the marketing strategy and maintaining the relationship between the organization and its customers (Christopher, et al, 2002: 468), while Customer service is activities, benefits, or connection with the sale of products or Services (Algel, et al, 2002: 468)

4.1 Are the following aspects considered by WASA when building customers loyalty

Statement

Not satisfied	Somewhat satisfied	Very satisfied

4.1.1 Corrective actions are immediately implemented when the customers are unhappy with the quality of the product/services?

4.1.2 WASA's employees are well trained to turn possible negative interactions into positive experience?

4.2 How would you describe the cost of water supply offered by WASA?

4.2.1 Too expensive

4.2.2 Somewhat expensive

128	129	130
131	132	133

134
135

4..2.3 Acceptable 136

4.3 How would you describe the cost of the sewerage collection offered by WASA?

4.3.1 Too expensive 137

4.3.2 Somewhat expensive 138

4.3.3 Acceptable 139

4.4 How well does WASA communicate their willingness to serve customers?

4.4.1 Not at all 140

4.4.2 Most of the time 141

4.4.3 Always 142

4.5 How well are the follow-up efforts of WASA after they have completed their Work?

4.5.1 Not at all 143

4.5.2 Most of the time 144

4.5.3 Always 145

4.6 In my experience WASA's employees are very friendly and helpful to customers.

4.6.1 Not true 146

4.6.2 Not sure 147

4.6.3 True 148

SECTION E - OVERALL PERFORMANCE

5.1 In which areas would you like to see improvement in WASA's service level of service? (You may tick more than one)

5.1.1 Working hours 149

5.1.2 Training of WASA's employees on customer care 150

5.1.3 Response time to customer's complaints 151

5.1.4 Frequency of visits to the customers. 152

5.1.5 Reliability of water supply 153

5.1.6 Individual and personal attention to each customer 154

5.1.7 Friendliness over telephone 155

5.1.8 Response time to pipe burst and leakage 156

5.1.9 Announcements prior to water cuts and shortage 157

5.1.10 Accuracy of meter reading 158

5.1.11 Accuracy of bills 159

5.1.12 Quality of water 160

5.1.13 Improvement in managing the disposal of wastewater / sewerage. 161

5.1.14 Other (Specify) 162 163 164 165

THANK YOU SO MUCH FOR YOUR ASSISTANCE AND PATIANCE IT IS HIGHLY APPRECIATED*

APPENDIX E

WASA'S EMPLOYEES

QUESTIONNAIRE

WATER AND SEWERAGE AUTHORITY (WASA)

EMPLOYEES' QUESTIONNAIRE

NOVEMBER

2009

WASA EMPLOYEES' QUESTIONNAIRE - SECTION A TO E

AN INVESTIGATION TO DETERMINE IF WASA IMPLEMENT AND APPLY CUSTOMER RELATIONSHIP MANAGEMENT (CRM) STRATEGIES EFFECTIVELY AND CORRECTLY

For the following questions or statements of section **A** to **E**, please tick or indicate with **x** the box that corresponds to the word (s) that reflect (s) the extent to which the statement/question applies to you

1.1 Please indicate your job position (only one)

- 1.1.1 Marketing Manager
- 1.1.2 Public Relations Manager
- 1.1.3 Credit Control
- 1.1.4 Financial Account Manager
- 1.1.5 Store Manager
- 1.1.6 Metering Manager
- 1.1.7 Other (specify)

FOR OFFICE USE ONLY

1			
2			
3			
4			
5			
6			
7	8	9	10

SECTION B - CUSTOMER RELATIONSHIP MANAGEMENT IN WASA

CRM focuses on assuring effective relationships between management, employees, customers, and the community. CRM helps the organization to indicate and manage the changes which may arise from time to time.

CRM can be considered as one of the key drivers of WASA's services.

2.1 WASA constantly strives to develop close relationships with its customers. How?

Statement	Never	Sometimes	Always
2.1.1 By effective communication between the employees and customers.			
2.1.2 By effective communication between WASA And the community.			
2.1.3 By effective communication between WASA and employees			
2.1.4 By communicating tariffs clearly and concisely And services time with employees			
2.1.5 Communicating changes concerning the products And services in time with employees			
2.1.6 By communicating tariffs clearly and concisely with customers			
2.1.8 By executing research projects to establish the needs of potential customer			
2.1.9 By customizing WASA's product or service based on what WASA knows about customer's needs			
2.1.10 By creating solutions for the customers			
2.1.11 By creating solution for the employees problems			
2.1.12 By rewarding employees for good quality customer services.			
2.1.13 By linking rewards for employees with customer's center behavior			
2.1.14 By conducting employees' research concerning their moral, attitudes and perceived obstacles to the provision in favor of the customer			
2.1.15 By empowering employees to make decision In favor of the customers.			
2.1.16 By applying CRM to all the customers.			
2.1.17 By interacting with customers as a fundamental step when practicing CRM.			
2.1.18 By communicating the importance of employees' commitment and trust to their organization			

11	12	13
14	15	16
17	18	19
20	21	22
23	24	25
26	27	28
29	30	31
32	33	34
35	36	37
38	39	40
41	42	43
44	45	46
47	48	49
50	51	52
53	54	55
56	57	58
59	60	61

2.2 How efficient is WASA in announcing water shortage and other problems concerning water supply?

2.2.1 Inefficient	
2.2.2 Reasonably efficient	
2.2.3 Efficient	

62
63
64

2.3 How would you rate the reliability of WASA's water supply/ services?

2.3.1 Unreliable	
2.3.2 Moderate	
2.3.3 Reliable	

65
66
67

2.4 I am completely satisfied with WASA's meter reading.

2.4.1 Not at all

2.4.2 Most of the time

2.4.3 Always

68
69
70

2.5 I am completely satisfied with WASA's accuracy of bills.

2.5.1 Not at all

2.5.2 Most of the time

2.5.3 Always

71
72
73

2.6 In your experience, how would you rate WASA's service in terms of response time to pipe burst

2.6.1 Poor

2.6.2 Reasonable

2.6.3 Good

74
75
76

2.7 How good is WASA's service in terms of managing the disposal of wastewater / sewerage from house connection?

2.7.1 Poor

2.7.2 Reasonable

2.7.3 Good

77
78
79

2.8 The quality of WASA's water is very good and I am happy with it

2.8.1 Not at all

2.8.2 Most of the time

2.8.3 Always

80
81
82

2.9 Does the implementation of CRM at WASA have direct impact On customer services?

2.9.1 Yes

2.9.2 No

2.9.3 Don't know

83
84
85

2.10 If the answer is yes indicate how? (indicate more than one if applicable)

2.10.1 It helps in providing accurate response to the customer's queries

2.10.2 It helps in providing effective training to WASA employees customer cares

2.10.3 It improves the response to the customers Complaints

2.10.4 Other (specify).....

86			
87			
88			
89	90	91	92

2.11 Does WASA measure the customer's loyalty with regards to quality service offered?

2.11.1 Yes

2.11.2 No

93
94

2.11.3 don't know

95

2.12 If the answer is yes indicate the reason why WASA is measuring the customer's loyalty?

(indicate more than one if applicable)

2.12.1 To reward loyal customers

96

2.12.2 To maximize profit

97

2.12.3 To influence customers behavior

98

2.12.4 to generate customers information

99

2.12.5 Other (specify).....

100 101 102 103

2.13 Does WASA measure the employees loyalty with regards to quality services offered

To customer?

2.13.1 Yes

104

2.13.2 No

105

2.13.3 Don't know

106

2.14 If the answer is yes, indicate the reason why WASA is measuring the employees' loyalty

(indicate more than one if applicable)

2.14.1 To reward loyal employees

107

2.14.2 to Maximize profit

108

2.14.3 To influence employees behavior

109

2.14.4 To generate employees information

110

2.14.5 Other specify.....

111 112 113 114

2.15 Based on the knowledge that you have on CRM, indicate which of the following

defines CRM? (indicate more than one if applicable).

2.15.1 Excellent services to customers external

115

2.15.2 Excellent services to WASA's employees

116

2.15.3 Personal customers attention

117

2.15.4 Other (specify)

118 119 120 121

2.16 Do you understand the important and reasons behind the CRM strategic

direction (s) in workplace?

2.16.1 Yes

122

2.16.2 No

123

2.17 If answer is yes, indicate which of the following measurements are used to measure

CRM. Concerning the quality of services (s) or product (s) offered to the customers.

(indicate more than one if applicable)

2.17.1 Customers hot line

124

2.17.2 follow-up efforts (after sales care)

125

2.17.3 rate of complaints

126

2.17.4 questionnaire

127

2.17.5 customer suggestion box

128

2.17.6 Other (specify)

129 130 131 132

2.18 How good is WASA's services in terms of employees recognition and employees satisfaction?

2.18.1 Poor

133

2.18.2 Reasonable

134

2.18.3 Good

135

2.19. Normal how long do water cuts take?

2.19.1 Less than 2 hours

136

2.19.2 Between 2 hours to 6 hours

137

2.19.3 Between 6 hours to 10 hours

138

2.19.4 More than 10 hours

139

SECTION C - Customer satisfaction and customer service

Customer satisfaction can be defined as the perceived experience of the product services performance by customers. Implementing a total customers satisfaction programme requires the organization's total commitment. An organization's total commitment involves employees commitment to customers and measuring of customer satisfaction regularly, Which is also know as marketing research (Yang and Peterson ,2004: 803-804)

3.1 Building good customer relationship results in customers satisfaction

3.1.1 No

140

3.1.2 Yes

141

3.2 Does WASA provide good quality customer services by:

Statement

3.2.1 Individual and personal attention to each customers

3.2.2 Friendliness and supportive to customers

3.2.3 Professional appearance of WASA's employees

	never	Sometimes	always
3.2.1			
3.2.2			
3.2.3			

142 143 144

145 146 147

148 149 150

3.3 WASA responds to customer queries very quickly?

3.3.1 No

151

3.3.2 Yes

152

3.4 Based on the answer that you gave 3.3 how do you rate WASA's respond to customer queries?

3.4.1 Not satisfied

153

3.4.2 Somewhat satisfied

154

3.4.3 Completely satisfied

155

3.5 Please rate WASA on the following statements:

Statement

- 3.5.1 WASA believes in customer satisfaction by constantly striving to develop a close relationship with its employees.
- 3.5.2 WASA believes in customer satisfaction by constantly striving to develop a close relationship with its customers.
- 3.5.3 WASA enforce the principles of customer satisfaction.
- 3.5.4 WASA's management correctly implement the organization's policies and procedures which may affect customer's satisfaction.
- 3.5.5 Professional appearance of WASA's management is a major contributor to customer satisfaction.

never	Sometimes	always

156	157	158
159	160	161
162	163	164
165	166	166
167	168	169

3.6 How do you rate WASA's services delivery with reference to the following statement

Statement

- 3.6.1 Friendliness over telephone
- 3.6.2 Efficiency of working directly with customers

not satisfied	somewhat Satisfied	very satisfied

170	171	172
173	174	175

3.7 Does WASA measure the expectations of customers concerning the quality of customer services delivery?

- 3.7.1 No
- 3.7.2 Yes

176
177

3.8 If yes, indicate which of the following instruments are used to measure customer expectations concerning the quality of customer services delivery.
(more than the one can be selected)

- 3.8.1 customer's hot line
- 3.8.2 follow - up efforts (after sale care)
- 3.8.3 Rate of complaints
- 3.8.4 Questionnaire
- 3.8.5 Customer's suggestion box
- 3.8.6 Other (specify)

178			
179			
180			
181			
182			
183	184	185	186

3.9 Does WASA measure the expectations of employees concerning the quality of customer services delivery?

- 3.9.1 No
- 3.9.2 Yes

187
188

3.10 If yes indicate which of the following instruments are used to measure employee expectations concerning the quality of customer services delivery.

(More than one can be selected)

- 3.10.1 Rate of employees' complaints
- 3.10.2 Employees' questionnaire
- 3.10.3 Employees' suggestion box
- 3.10.4 Other (specify)

189			
190			
191			
192	193	194	195

3.11 Does WASA measure employee satisfaction with regards to quality customer services?

- 3.11.1 No
- 3.11.2 Yes

196
197

3.12 If yes, indicate which of the following instruments are used to measure employee satisfaction concerning the quality of services delivery.

(more than one can be selected)

- 3.12.1 Rate of employees' complaints
- 3.12.2 Employees' questionnaire
- 3.12.3 Employees' suggestion box
- 3.12.4 Other (specify).....

198			
199			
100			
101	102	103	104

SECTION D - RELATIONSHIP MARKETING (RM) AND CUSTOMER SERVICES

RM is the process by which marketing management builds long term relationships with its customers, for the purpose of increasing the profitability of the organization by formulating and implementing the marketing strategy and maintaining the relationship between the organization and its customers (Christopher et al, 2002:2) while customer services is activities, benefits, or connection with the sale of products or services (Algel, et al, 2002: 468).

4.1 Are the following aspects considered by WASA when building customer loyalty?

Statement

- 4.1.1 corrective actions are implemented immediately when the customers are unhappy with the quality of the the product/services?
- 4.1.2 WASA's employees are well trained to turn possibly negative interactions into positive experience?

	not satisfied	Somewhat Satisfied	very satisfied
4.1.1			
4.1.2			

105	106	107
108	109	110

4.2 How would you describe the cost of water supply offered by WASA?

- 4.2.1 Too expensive
- 4.2.2 some what expensive
- 4.2.3 Acceptable

111
112
113

4.3 How would you describe the cost of sewerage collection offered By WASA?

- 4.3.1 Too expensive
- 4.3.2 some what expensive
- 4.3.3 Acceptable

114
115
116

4.4 How well does WASA communicate their willingness to serve customers?

4.4.1 Not at all

--

117

4.4.2 Most of the time

--

118

4.4.3 Always

--

119

4.5 How well are the follow-up efforts of WASA after they have completed their work?

4.5.1 Not at all

--

120

4.5.2 Most of the time

--

121

4.5.3 Always

--

122

4.6 In my experience WASA's employees are very friendly and helpful to customers .

4.5.1 Not true

--

123

4.5.2 Not sure

--

124

4.5.3 True

--

125

SECTION E- OVERALL PERFORMANCE

5.1 In which areas would you like to see improvement in WASA's level of service?

(you may tick more than one areas)

5.1.1 Opening hours must be extended

--

126

5.1.2 Training of WASA's employees on customer care

--

127

5.1.3 Response time to customers' complaints

--

128

5.1.4 Frequency of visits to the customers.

--

129

5.1.5 Reliability of water supply

--

130

5.1.6 Individual and personal attention to each customer.

--

131

5.1.7 Friendliness over the telephone

--

132

5.1.8 Response time to pipe burst and leakages.

--

133

5.1.9 Announcements prior to water cuts and shortages

--

134

5.1.10 Accuracy of meter reading

--

135

5.1.11 Accuracy of bills

--

136

5.1.12 Quality of water

--

137

5.1.13 Other (specify).....

--

138

139 140 141

THANK YOU VERY MUCH FOR YOUR CO-OPERATION AND TIME!!!

Please indicate if you want to receive a copy of the results.

Yes	No
-----	----

If Yes, E-mail address:

Postal Address:

.....

APPENDIX F

LETTER FROM

LANGUAGE EDITOR

TO: WHOM IT MAY CONCERN **DATE:** 9 November 2010
FROM: LANGUAGE EDITOR

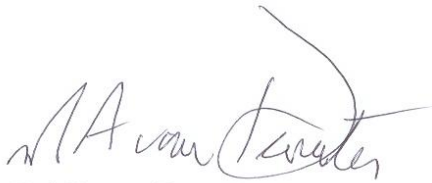
This letter is to confirm I have edited 247 pages of Ms Bereng's Master's thesis. I have tightened up the language usage and style, corrected spelling errors and made recommendations regarding form/layout of the thesis.

I have suggested that the candidate maintain uniformity throughout, for example, a plural verb is used when referring to WASA throughout. I have recommended the use of *should* (implying a suggestion) instead of *must* (implying a command) throughout. I have endeavoured to shorten her sentences and make them more concise, for example, to avoid the overuse of *and*. Long sentences have also been punctuated for better understanding and adverbs have been placed at the end of sentences. American words have been amended and changed to the UK spelling style, which is the norm in South Africa, for example, *behavior* to *behaviour*, *organization* to *organisation*, etcetera. I have also corrected abbreviations, since abbreviations such as *etc.* or *can't* are not acceptable in an academic paper. Split infinitives and verbs, concord, etcetera, were also corrected. Punctuation was introduced where necessary to improve sentence structure. In addition, the Index was checked to correspond with the headings in the thesis. Correct spacing after headings was addressed as well as headings themselves (no full stops are necessary in headings). The use of *et al.* was also corrected and the referencing technique was amended to ensure uniformity.

I have suggested that long quotes be indented, without italics, lettering changed to 10 font, single spacing, for a neater appearance. I have also questioned her use of **BOLD** when using acronyms such as WASA and HRM, etcetera. I have also suggested that the format of the **List of Sources** be changed for uniformity and to enhance clarity, for example:

Smith, R.S.
2007. *Organisational Behaviour*. Cape Town: Maskew Miller.

Thank you and I wish the candidate success with her Master's.



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